Department of Defense
National Security Personnel System

NSPS HR Elements / Performance Management for Managers and Supervisors

Flexibility – Accountability – Excellence

www.cpms.osd.mil/nsps
http://cpol.army.mil/library/general/nsps/

Agenda

		Page
1.	NSPS Overview	9
2.	Conversion to NSPS	17
3.	Classification under NSPS	29
4.	Staffing Changes	73
5.	Compensation under NSPS	97
6.	Performance Management: Planning	121
7.	Performance Management: Monitoring	157
8.	Performance Management: Rating	177

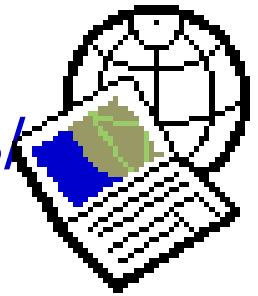
Handbook

The Handbook contains:

- NSPS Conversion Charts
- NSPS Career Groups, Pay Schedules, Pay Bands
- NSPS Classification standards
- Performance Management Cycle and Conversation Guidelines
- Job Objective guidelines and samples
- Self-Assessment guidelines and hints
- Performance Indicators and Contributing Factors
- Rating Levels and Share Ranges
- Performance Conversation Guides
- Other reference materials

Additional Resources

- DoD's NSPS website:
  http://www.cpms.osd.mil/nsps/
  - Contains implementing issuances / on line training / other materials
- Army NSPS website:
  http://cpol.army.mil/library/general/nsps/
  - Contains latest Army information



- Army NSPS training website:
  http://www.chra.army.mil/NSPS-training/index.htm
  - Contains training calendar / training materials
- Your servicing Civilian Personnel Advisory Center

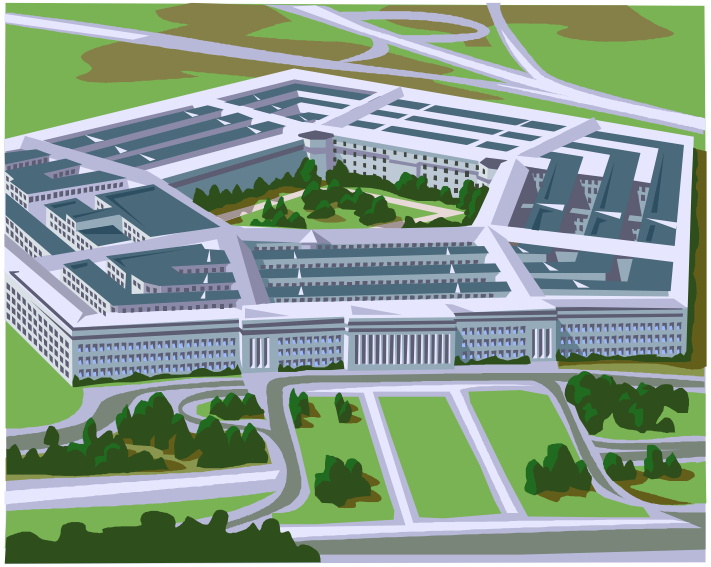
Lesson 1:
NSPS Overview

Return to TOC

All About NSPS: Background

Congress authorized NSPS

- Part of the fiscal 2004 National Defense Authorization Act
- Increases effectiveness through a simplified personnel management system
- Improves the way it hires and assigns
- Compensates and rewards its employees
- Preserves employee rights and benefits



What NSPS Does Not Change

- Merit system principles
- Rules against prohibited personnel practices
- Whistleblower protection
- Veterans' preference rights protected
- Benefits (retirement, health, life, etc.)
- Antidiscrimination laws
- Fundamental due process
- Overseas entitlements
- Training
- Leave and work schedules
- Other personnel systems in law
- Lab demo organizations (until FY 08)
- Fair Labor Standards Act

NSPS Goals

- Results
  - To attract and retain top talent
  - To promote high performance
- Accountability
  - Employee
  - Supervisor
  - Leadership
- Flexibility
  - To respond to mission changes
  - To realign, reorganize, and reshape the workforce
  - To assign work
  - To set pay

HR Design Highlights

Classification Simple Flexible	**Compensation** Market sensitive Performance based	**Performance Management** Mission focused Compensation cornerstone
• Career Groups • Pay Schedules • Broad Pay Bands • Simplified classification guidance • DoD occupations	• Rate range adjustments • Performance payouts • Local market supplements • No change to incentive awards	• High-performing workforce • Pay increases • Includes conduct and professional demeanor • Job objectives linked to mission

HR Design Highlights (continued)

Staffing Right Person, right Place, Right Time	**Workforce Shaping** Streamlined, Mission Responsive
• DoD hiring authorities • Ability to streamline the hiring process • Paysetting flexibilities • DoD qualification requirements • Veterans' preference rights protected	• Ability to target reductions • Less workforce and mission disruption • More emphasis on performance • Eliminates "Bump and retreat" • Veterans' preference rights protected

Lesson 2:

Conversion to NSPS

Return to TOC

Lesson 2 Objectives

- After completion of this lesson, participants will be able to:
  - Describe the initial conversion to NSPS
  - Describe the within-grade-increase (WGI) buy-in
  - Describe how NSPS affects career conditional employees
  - Describe how NSPS affects rating of record
  - Describe how NSPS affects employees on probationary periods

Pay upon Initial Conversion to NSPS

- Conversion will be an automated process
  - Employees converted “in place”
  - No change in job descriptions
  - Preview available in NSPS 101

- **No** loss in pay
- Based on the classification of the current position of record
- Existing PDs will require minor updates - from old pay plan / grade to new
- BUT no changes to contents / format

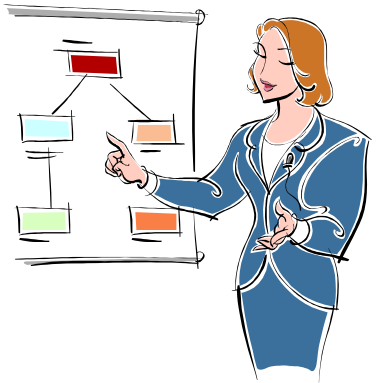
Within-Grade-Increase Buy-in

- WGI buy-in calculator is available in NSPS 101
  - part of the conversion tool

- Prorated amount at conversion
- One-time buy-in
- Funds become part of performance payouts and other pay increases

Special Conversion Issues

- Grade retention
- Pay retention
- Leader positions
- Fair Labor Standards Act
- Supervisory and managerial positions
- Developmental/Intern Positions
- Temporary promotion and details



Rating of Record

For Reduction in Force purposes:

- Employees with at least one rating of record within the preceding three years will be assigned one "**level 3**" rating upon conversion to NSPS

Note: Rating of record will be replaced once the employee receives an NSPS rating

Career-Conditional Appointments, Probationary Periods

Upon conversion into NSPS:

- Career conditional employees become career employees
  - There are no career conditional appointments under NSPS
- Employees on initial or supervisory probationary period continue probation after conversion

Sample Conversion Chart

Nonsupervisory Pay Schedules	Pay Band 1	Pay Band 2	Pay Band 3	Pay Band 4
YA – STND – Prof / Analytical	GS-5 to 8 GS-9 to 11*	GS-9 to 13	GS-14 to 15	N/A
YB – STND – Tech / Support	GS-1 to 6	GS-7 to 10	GS-11 to 12	N/A
YP – STND – SEEP PGM (Student)	GS-1 to 11	N/A	N/A	N/A
YD – E&S – Prof	GS-5 to 8 GS-9 to 11*	GS-9 to 13	GS-14 to 15	N/A
YE – E&S – Tech / Support	GS-1 to 6	GS-7 to 10	GS-11 to 12	GS-13

* Positions with a target grade above the current grade are converted to pay band 1

See the NSPS Handbook (starting on page 3) for the complete ta

Sample Conversion Chart: Supervisory Pay Schedules

Supervisory Pay Schedules	Pay Band 1	Pay Band 2	Pay Band 3
YC – STND Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15
YF – E&S Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15
YJ – MED Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15
YN – I&P Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15

See the NSPS Handbook (starting on page 3) for the complete tal

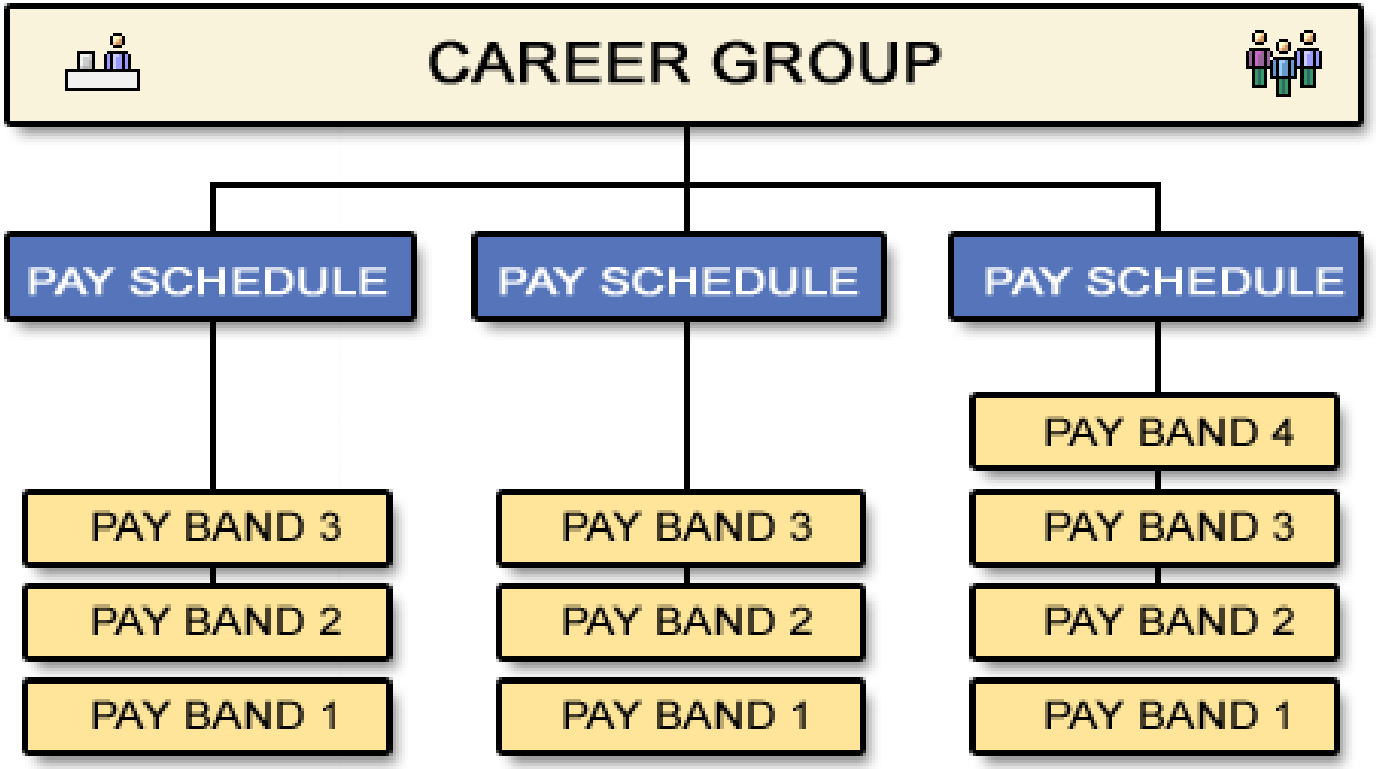
Lesson 3:
Classification under NSPS

Return to TOC

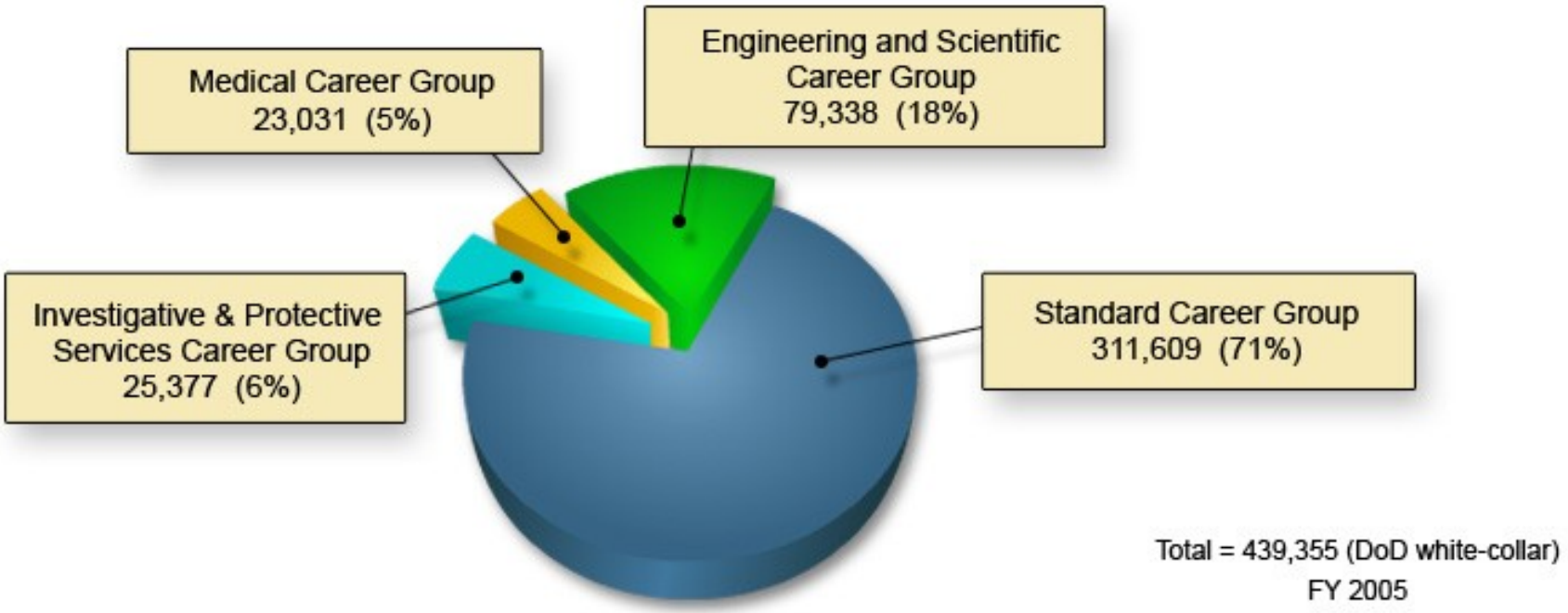
GS vs. NSPS Classification

GS	NSPS
Occupational Family	Career Group
Pay Plan	Pay Schedule
Title	Title
Grade	Pay Band
Occupational Series (#)	Occupational Code (#)
Over 400 OPM GS Classification Standards	15 Standards

Classification Architecture



Career Groups by Population and Percentage



Career Groups/Pay Schedules

STANDARD	ENGINEERING & SCIENTIFIC
• Professional/Analytical (YA) • Tech/Support (YB) • Supervisor/Manager (YC) • Student Employment (YP)* 71% of DoD workforce	• Professional (YD) • Tech/Support (YE) • Supervisor/Manager (YF) 18% of DoD workforce
MEDICAL	**INVESTIGATIVE & PROTECTIVE SERVICES**
• Physician/Dentist (YG) • Professional (YH) • Tech/Support (YI) • Supervisor/Manager (YJ) 5% of DoD workforce	•Investigative (YK) • Fire Protection (YL) • Police/Guard (YM) • Supervisor/Manager (YN) 6% of DoD workforce

***Student Employment (YP) covers all 4 groups.**

Pay Schedules (PS)

Pay Schedules (PS) combine similar types of work within a Career Group (CG) based on the occupational definition of:

- Professional and Analytical
- Technician / Support
- Supervisory

(each of the Career Groups have these types of jobs)

- Students are all in the Standard Career Group

Career Group and Pay Schedule Example

Occupation	Career Group	Pay Schedule/Code
Engineering, 0801	S&E	Professional / YD
Engineering Tech, 0802	S&E	Technician/Support / YE
Engineering Student Trainee, 0899	STND	SEEP / YP
Supervisory Civil Engineer, 0810	S&E	Supervisory / YF

Pay Bands

Pay Band	Prof/Analytical	Tech/Support	Supervisory
1	Entry/ Developmental	Entry/Developmental or Journey	Supervises PB 1
2	Journey	Journey	Supervises PB 2
3	Expert/ Program Mgr	Journey/Expert	Manager
4		Unusual (super) Expert	

Standard Career Group (Base Salary only)

Department of Defense
National Security Personnel System
Worldwide Pay Table

Schedule #2

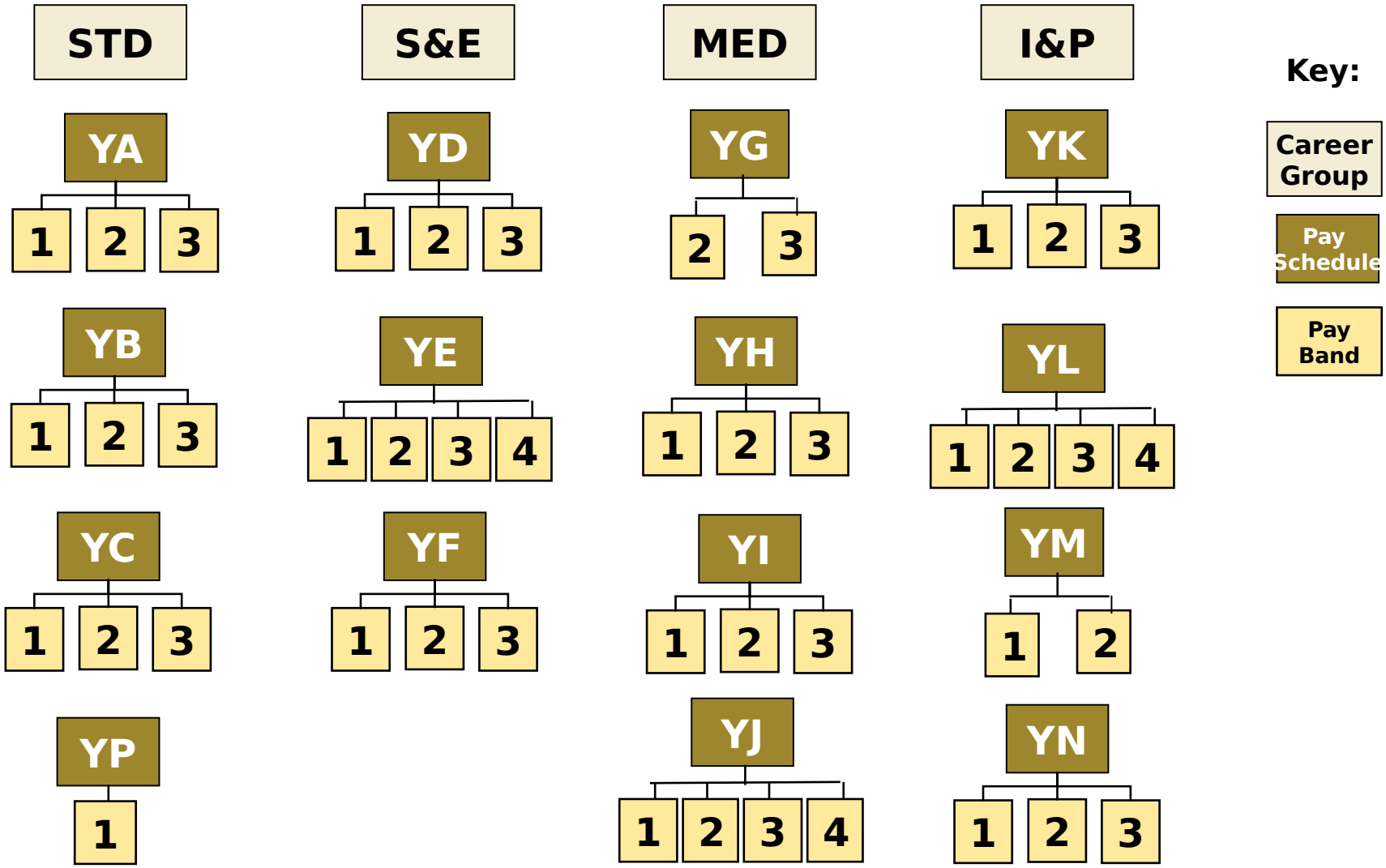
Issue Date: 07 JAN 2007

Standard Career Group			
PAY SCHEDULES	BASE SALARY (PER ANNUM)		
Professional/Analytical (YA)	**Minimum**		**Maximum**
Pay Band 1	$25,623	-	$61,068
Pay Band 2	$38,824	-	$87,039
Pay Band 3	$75,879	-	$127,031
Technician/Support (YB)	**Minimum**		**Maximum**
Pay Band 1	$16,630	-	$37,130
Pay Band 2	$31,740	-	$55,580
Pay Band 3	$46,974	-	$73,194
Supervisor/Manager (YC)	**Minimum**		**Maximum**
Pay Band 1	$31,740	-	$61,068
Pay Band 2	$56,301	-	$107,991
Pay Band 3	$79,115	-	$127,031
Student (YP)	**Minimum**		**Maximum**
Pay Band 1	$16,630	-	$61,068

Authority: This schedule of minimum and maximum rates has been established under the authority of paragraphs 9901.321 and 9901.322 of title 5, Code of Federal Regulations.

This pay chart reflects base salary only – it does not include locality/LMS.
All pay charts are in the NSPS Handbook (starting on page 64).

NSPS Classification Architecture

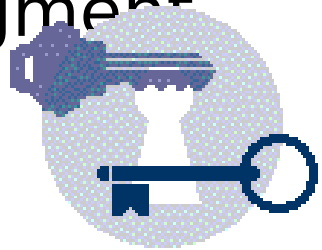


See the NSPS Handbook (page 10) for full names

Key Classification Differences

GS

- Focus on Position
- Classification drives pay
- Requires seasoned classification judgment



NSPS

- Focus on Person
- Performance drives pay
- Administrative decision based on what is:
  - Best for business
  - Most economic
  - Wisest use of taxpayer's dollars

Delegation of Classification Authority (DCA)

- Through command chain to position
- Manager must follow law, published DOD classification standards, DA guidance to meet standard of adequacy.
  - If you have DCA under Title 5, you have it under NSPS
  - If you don't have DCA now, authority resides with higher level in management chain
- CPOC no longer classifies jobs, write advisories nor determines FLSA
- CPAC provides position management advice

NOTE: This module is the only "DCA under NSPS" training provided by Army. No additional training is required.

DCA Documentation

- Delegations must:
  - be in writing and kept in the office where the authority is held for the duration of the authority.
  - describe the specific classification responsibilities delegated, any limitations and identify the position authorized to exercise those responsibilities.
- Delegations need not identify the individual. Once delegated to an authorized position, the delegation remains in effect until rescinded by the proper authority.

DCA Do's

- Managers may:
  - Determine/certify the occupational code, pay band, and title per NSPS Class Standards
  - Make other class-related determinations such as Fair Labor Standards Act exemptions, IAW statutory requirements
  - Classify only those positions under their direct managerial/supervisory control.
  - Delegate classification authority to subordinate managerial/supervisory positions, if authorized.

DCA Don’ts

- Managers may NOT:
  - Classify their own position, or any subordinate position that has an impact on the classification of their position.
  - Exceed the level of authority delegated to any higher level commander/manager/supervisor within their chain of command.
  - Delegate classification authority to Human Resources (HR) practitioners or other staff members who are not Commanders, managers or supervisors.

Position Records

Managers are required to:

- Use existing FASCLASS PD format*
  - But no factors (FES/GSSG/etc.) are needed!
- Classify PD per NSPS Class standards
- Determine equivalent GS grade** and record on PD
- Make Fair Labor Standards Act (FLSA) determination and complete FLSA Evaluation form
- Load PD with the above information into FASCLASS

*A new form, DD2918, has been approved by DOD to replace the existing PD format. Once FASCLASS has been modified to accept, all Army-serviced activities will be notified of the changes.

**Determination of GS-grade equivalency is an interim DOD requirement, per DOD Managers Interim Guidance for Establishing Pay for Employees in NSPS.

Position Records

- By placing the PD into FASCLASS and authorizing an RPA, the manager certifies:

(1) accuracy of the information describing the position and its requirements.

(2) that DoD NSPS classification regulations and standards are the basis for classification.

Department of Army Fully Automated System for Classification (FASCLASS) - http://cpsfc.belvoir.army.mil/fasclass/inbox/
Request for Personnel Action (RPA)

HR Advisory Services

- CPAC – provides advisory services, including:
  - position management
  - supervisory ratios
  - developmental options & position flexibilities
  - assistance in making interim grade to pay band comparisons for pay-setting
- CPOC – provides operational support services:
  - position builds
  - consistency with system/class standards, i.e., some occupation and pay band combos are not allowed

3 Steps to Classification

What type of position do I need?

1 **SUPERVISOR SELECTS OCCUPATION**

Occupations occur in only one Career Group and Pay Schedule

2 **NSPS REGULATION DEFINES CAREER GROUP AND PAY SCHEDULE BASED ON OCCUPATION**

- ✓ **Do I need entry level, full performance or expert?**
- ✓ **What about funding?**
- ✓ **Organizational impact?**

Note: Existing PDs do not require rewrite upon conversion. Only for new Hire/placement actions post conversion date

3 **SUPERVISOR SELECTS PAY BAND LEVEL**

Management - is in control – NOT HR!

Responsible for position and financial management

Step 1 – Select the Occupation

Classification takes into account:

Relationship to other positions or organizational levels

Mission of the organization

Occupational qualifications

Prudent fiscal management

Position's level of difficulty

Competency requirements

Step 1 – Select the Occupation (cont'd)

Focus on work:

- Is performed on a regular and frequent basis
- Is crucial to the position's primary purpose
- Governs the position's primary qualifications
- Is not assigned temporarily and/or strictly for training or career-development purposes

Step 1 – Select the Occupation (cont'd)

Mixed Positions	• Position does work in more than one occupation • Ex: Budget and HR
Interdisciplinary Positions	• Professional positions only • Ex: Position that can be filled by an Electronics Engineer or an Electrical Engineer
Interoccupational Positions	• New under NSPS • Same as interdisciplinary, but for analytical occupations (rather than professional) • Ex: Management Analyst & Budget Analyst

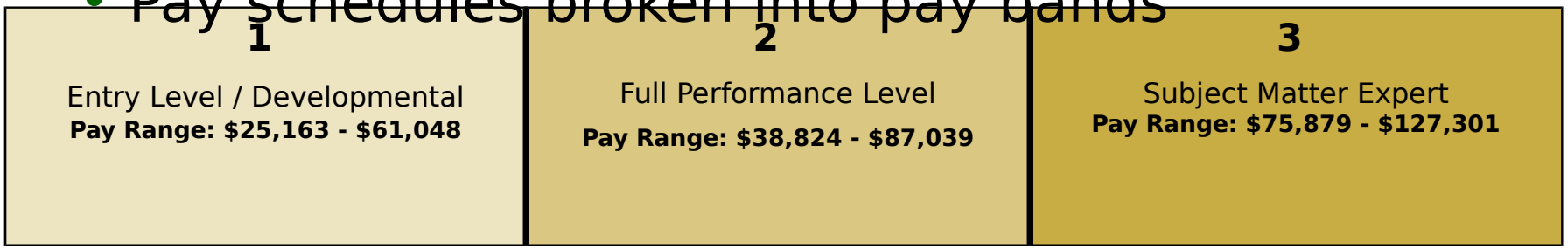
Step 2 - Determine Career Group and Schedule

- NSPS takes much of the guesswork out of classification by setting limits that the manager cannot override.
- The class standards have specific requirements and/or limitations regarding their use.
- Occupations occur in only one Career Group and Pay Schedule

Step 3 – Select Pay Band Level

Students: Locate Standard CG, Professional/Analytical Class Standard and compare with next few slides

- Pay schedules broken into pay bands



Example: Standard Group Career (Professional/Analytical)

- Broad pay ranges provide flexibility—labor market rate, skills determine actual pay

Entry Level - Payband 1

1	2	3
Entry Level / Developmental **Pay Range: $25,163 - $61,048**		

- Developmental (intern) positions only
- No continuing work at this level

Journey Level - Payband 2

1	2	3
	Full Performance Level **Pay Range: $38,824 - $87,039**	

- Experienced worker who has passed the pay band Level 1 trainee state
- May serve as subject matter expert
- Scope of the work is typically “action officer work” rather than “big picture”
- Found at installation/regional/MACOM/HQ levels

Expert Level - Payband 3

1	2	3
		Subject Matter Expert **Pay Range: $75,879 - $127,301**

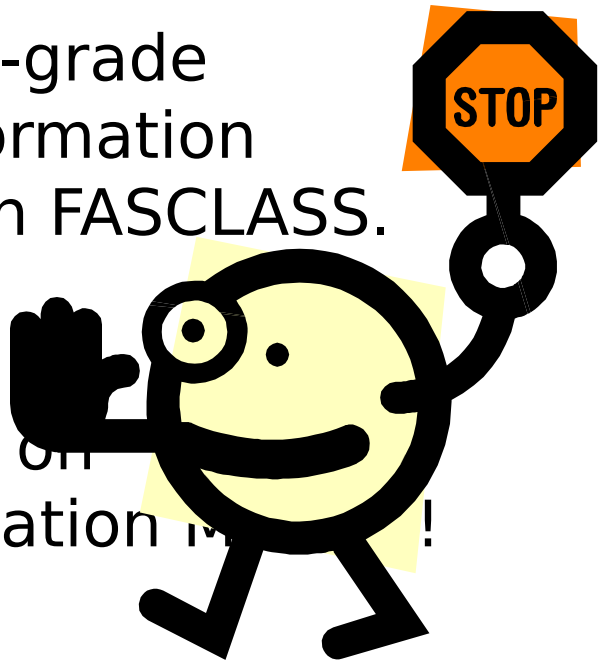
- Serves as program/project manager or subject matter expert
- Scope of the work is typically the “big picture” rather than “action officer work”
- Programs are usually located in Component/Command headquarters and are carried out in multiple installations and/or regions
- Typically found at HQ and/or activity-level that has component-level responsibility

Interim DOD Requirement – Determine GS-grade equivalency

- DOD Managers Interim Guidance for Establishing Pay for Employees in NSPS requires managers to determine the former GS-grade equivalent.

- The manager must indicate the GS-grade equivalent and include this information on the PD when placing in FASCLASS.

- Please hold your questions! MORE on this during the Compensation M[illegible]!



Making Fair Labor Standards Act (FLSA) Determinations

- The manager, not HR, is responsible for FLSA
- Per SC1920.9, 5 CFR Part 551 FLSA provisions apply to all DOD employees under NSPS
- Requires mandatory use of:
  - SC1920-2 FLSA Determination Guidance Table AND
  - 5 CFR Part 551

Table SC1920-2. FLSA Determination Guidance Table

GROUP & SCHEDULE	PAY BAND 1	PAY BAND 2	PAY BAND 3	PAY BAND 4
STANDARD CAREER GROUP				
Professional/Analytical	Non-Exempt	Non-Exempt or Apply Test *	Apply Test	
Technician/Support	Non-Exempt	Non-Exempt	Non-Exempt or Apply Test *	
Supervisory	Apply Test	Apply Test	Apply Test	
Student Educational Employment	Non-Exempt			
SCIENTIFIC & ENGINEERING CAREER GROUP				
Professional	Non-Exempt	Non-Exempt or Apply Test *	Apply Test	

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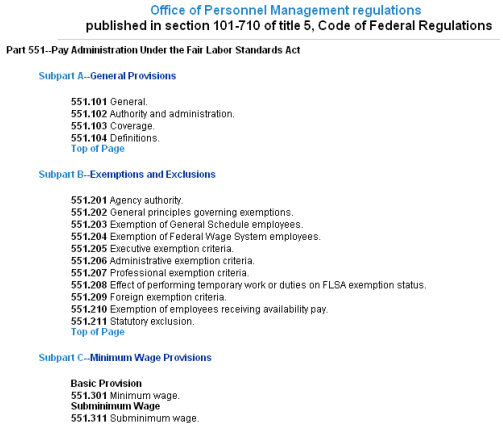


Office of Personnel Management regulations
published in section 101-710 of title 5, Code of Federal Regulations

Part 551--Pay Administration Under the Fair Labor Standards Act

Subpart A--General Provisions

551.101 General.
551.102 Authority and administration.
551.103 Coverage.
551.104 Definitions.
Top of Page

Subpart B--Exemptions and Exclusions

551.201 Agency authority.
551.202 General principles governing exemptions.
551.203 Exemption of General Schedule employees.
551.204 Exemption of Federal Wage System employees.
551.205 Executive exemption criteria.
551.206 Administrative exemption criteria.
551.207 Professional exemption criteria.
551.208 Effect of performing temporary work or duties on FLSA exemption status.
551.209 Foreign exemption criteria.
551.210 Exemption of employees receiving availability pay.
551.211 Statutory exclusion.
Top of Page

Subpart C--Minimum Wage Provisions

Basic Provision
551.301 Minimum wage.
Subminimum Wage
551.311 Subminimum wage.

What is FLSA?

- Provides minimum standards for both wages and overtime entitlement, and spells out administrative procedures by which covered work time must be compensated.
- Two categories:
  - Exempt: NOT covered by FLSA overtime and minimum wage provisions (follow SC1930 compensation provisions instead)
  - Nonexempt: COVERED by FLSA overtime and minimum wage provisions

FLSA Provisions

- Overtime - nonexempt
  - Paid 1.5 times the regular rate
- Nonexempt employees may request compensatory time, but cannot be ordered to take it
- "Suffer or Permit" provision - Any work a nonexempt employee performs is counted as work:
  - Supervisor need not order or authorize
  - Sufficient that supervisor has reason to believe work was performed
  - Note: Some travel/training time also considered hours of work

CONUS – FLSA Provisions

Employees are *nonexempt* unless shown to be exempt

- **Always nonexempt:**
  - Pay Band 1 and 2 Technician/Support positions
    - ALL Career Groups (PS YB, YE, YI, YL & YM)
  - Trainees - ALL Career Groups
    - (PS/PB YA-1, YD-1, YH-1, YK-1 and YP-1)
- **Often nonexempt (require FLSA test):**
  - Many Journey-Level (Pay Band 2) employees in
    - PS/PB YA-2, YD-2, YH-2, YK-2
  - Equipment operators (e.g., pilots) (STD CG, YA-2)
  - Pay Band 3/4 Technician/Support positions
    - ALL Career Groups (PS YB, YE, YI, & YL)
  - Pay Band 1 Supervisory Positions
    - ALL Career Groups (PS YC, YF, YJ, & YN

OCONUS - FLSA Provisions

- FLSA provisions do not apply overseas
  - Foreign exemption - employees permanently assigned or TDY OCONUS.

- OCONUS supervisors:
  - Watch out! When employees are TDY in US for work or training, some become nonexempt.

Fair Labor Standards Act Determinations

- *Caution* - FLSA is based on *person,* not position!
  - Typically, manager makes decision based on PD duties, prior to employee selection. Actual employee's responsibilities determine FLSA so this may require change in FLSA for individual
- Employees presumed to be covered by FLSA (non-exempt unless *proven* to be exempt)
- Movement to other CGs, PS, or PBs will require new review

Army FLSA Steps

1. Compare position against SC1920-2 FLSA Table
2. If chart indicates “Apply test”, assess written job objectives and specific duties expected of employee against 5 CFR 551 criteria. Exceptions must meet criteria in 5 CFR, part 551, subpart B.
3. For assistance:
   - Use CHRA-developed NSPS FLSA Decision Logic Table.
   - Contact CPAC HR for advice in applying 5 CFR 551 criteria
4. Complete FLSA Evaluation Worksheet and attach to PD in FASCLASS

Classification Appeals

Employees may appeal:

- Any classification decision relating to their own position:
  - Title
  - Occupational code
  - Pay band
  - Supervisory status

Employees may not appeal:

- Classification of a proposed position or one to which the employee is not officially assigned
- Classification of a position to which an employee is detailed or temporarily promoted
- Accuracy, consistency, or use of NSPS classification criteria
- Rate of pay

Classification Appeals (cont'd)

- Employees first "raises concerns" to supervisor who has 30 days to respond.
- Then formal appeal to CPMS or directly to OPM
- Appeals to CPMS must go through HR
- HR provides assistance and assembles package (as in current process)

CPMS – Civilian Personnel Management Service
OPM – Office of Personnel Management

Lesson 4:
Staffing

Return to TOC

Not Changing in Hiring and Employment

- Merit Systems Principles
- Prohibited Personnel Practices
- Veterans' Preference rights
- Current hiring flexibilities
- OPM qualification standards
- Posting jobs on USAJOBS
- Current competitive and excepted service appointing authorities and entitlements
- Use of mandatory placement programs
  - Priority Placement Program (PPP), Reemployment Priority List (RPL), Interagency Career Transition Assistance Program (ICTAP)

Mandatory Placement Programs Still in Effect

- Positions filled in accordance with the methods prescribed in Federal Regulation (5 CFR 330)
  - Reemployment Priority List
  - Positions Restricted to Preference Eligibles
  - Interagency Career Transition Assistance Plan for Displaced Employees

- DoD Priority Placement Program

Competitive Examining

- DoD now has authority to use “competitive” examining
  - Initially, use OPM’s “delegated” examining authority
  - Applicants are listed in score and veterans’ preference order
  - Procedures to pass over a preference eligible still apply
- “Rule of three” is eliminated

Competitive Examining

- Public notice requirements:
  - Open to all US citizens
  - May limit first consideration to local commuting area *and* other targeted recruitment sources
  - No minimum period of time vacancies must be announced
  - Open period based on type of position and availability of candidates
- Veterans' preference rules apply
- Uses current rating and ranking procedures:
  - Numerical
  - Category rating

Applying Qualification Standards

- DoD can modify OPM qualification standards and/or develop new ones
  - Meanwhile will continue to use OPM Qualification Standards
- Applicants must meet minimum qualifications for the lowest GS-equivalent grade level of the pay band
- Must meet quality level of experience
  - Thorough, accurate job analysis is key
  - Need to clearly define specialized experience
  - Will enable staffing specialists to identify good candidates

New NSPS Appointing Authorities

- Severe Shortage/Critical Need Hiring Authority
  - Component requests authority
  - DoD can authorize, in lieu of OPM
- Non-citizen appointment authority
  - Component can authorize, in lieu of OPM
- Existing competitive and excepted appointing authorities still available

New NSPS Appointing Authorities, continued

- Time-limited appointment authorities
  - Term appointments – up to six years
  - Temporary appointments – up to three years
- Can be converted to career appointment, if criteria met:
  - Selected under competitive examining procedures
  - Announcement contained a statement which stated that the appointment could lead to a career appointment
  - Must have served at least two years with a Level 2 rating
  - Converted to a career position in the same pay band for which hired

Probationary Periods

- One year with option for three years
  - For selected occupations
  - Determined by DoD (not individual managers)
- Longer probationary periods may be established by occupation
  - Critical to a performance-based system
- Two year probationary period established for certain excepted service positions
- Supervisors must still complete a 1-year (in service) probationary period

Internal Placement

- Time in grade requirements eliminated
- Time after competitive appointment requirement eliminated
- New assignments commensurate with qualifications do not always need a personnel action
  - Personnel actions normally not required for
    - Assignments to perform new tasks
    - Projects or functions
  - If equal to current qualifications, area or expertise

New Definitions

- **Promotion**: Movement of an employee from one band to a higher band
  - *Example*: Pay Band 2 to Pay Band 3
- **Reassignment**: Movement of an employee to a different position or set of duties in the same or a comparable pay band on a permanent or temporary/time-limited basis
  - Example: Non-supervisory professional and/or analytical pay schedule to supervisory PS across corresponding pay bands (2 to 2)
- **Reduction in Band**: Movement of an employee either voluntary or involuntary from one pay band to a lower pay band
  - Example: PB 2 to PB 1

Determining Competition Requirements

Level of work determines whether competition is required

- Focus on level of work, not grade level
- Level of work progresses within the same pay schedule from lower to higher beginning with pay band 1
  - Professional/Analytical is always higher than Technician/Support
- Comparability across career groups

Merit Promotion Requirements

Most remain the same

- Managers have right to select or not select from a group of qualified candidates
- Managers have right to select from appropriate sources of candidates
- Area of consideration should be sufficiently broad to ensure high quality candidates
- Recordkeeping requirements
- *Must* conduct job analysis to identify critical KSAs and/or job competencies

Competitive / Non-Competitive

Competitive

- Movement to higher band/higher level of work
- Same basic concepts apply:
  - Reassignment or reduction in band to a position with more promotion potential
  - Transfer to a higher pay band or to a position with more promotion potential
- Changed under NSPS:
  - Temporary promotion over 180 days to a higher pay band position

Exception to Competition

- Movement to same band or comparable level of work (technician to technician)
- Same basic concepts apply:
  - Promotion resulting from previous competitive selection with documented career ladder to higher pay band
  - Promotion resulting from classification at higher pay band because of additional duties and responsibilities
- Changed under NSPS:
  - Temporary promotion to a position in a higher pay band for 180 days or less

Alternative Forms of Competition

Not available until Army issues guidance

Mandatory Placement rules apply

1. Alternate Certification

- By-name request
- Candidate must meet criteria of highest group

2. Exceptional Performance Promotion

- Requires Level 5 performance rating
- Same occupational series and function

3. Assessment Boards

- Pre-established criteria, ranked specific to the occupation
- Selection unique to actual vacancy

Workforce Shaping

- Army intends to retain current RIF / VSIP / VERA approval guidance
- Increased flexibility to realign, reorganize, and reshape the workforce for organizational-based reasons
- Consistent with performance-based system
- New or revised concepts and procedures
  - Competitive area - Displacement procedures
  - Competitive group - Transfer of function
  - Retention standing - Tenure

Tenure

- Current tenure groups remain:
  - Tenure Group I (Career)
  - Tenure Group III (Terms)
  - Tenure Group 0 (Temporaries)
- Changed under NSPS:
  - Tenure Group II (Career Conditional) has been eliminated

Designation of Competitive Areas / Groups

Competitive Area

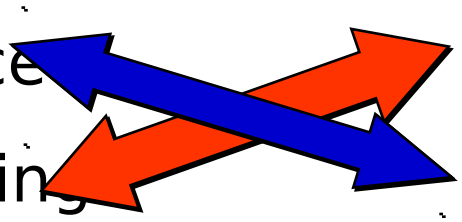
- Geographic location(s)
- Organizational unit(s)
- Line(s) of business
- Product line(s)
- Funding line(s)

Competitive Groups

- Mandatory
  - Excepted and competitive service
  - Different excepted appointment authorities
- Optional
  - Career group
  - Pay schedule
  - Occupational series/code or specialty
  - Different work schedules
  - Pay band
  - Trainee status

Retention Factors

GS System	NSPS
Tenure	Tenure
Veterans' Preference	Veterans' Preference
Creditable Service	Performance Credit
Performance Rating	Creditable Service



Transfer of Function

Transfer of Function definition change:

- Work moved from one competitive area to another and same type of work may already exist in new area
- Work must cease in losing competitive area
- Losing competitive area determines number/ type of positions encompassing the transferring work (no longer needs to be grade-controlling)
- Losing and gaining comp areas will jointly determine the number and type of positions needed in the new comp area

Lesson 5:

Compensation under NSPS

Return to TOC

Key Merit System Principle

"Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance."

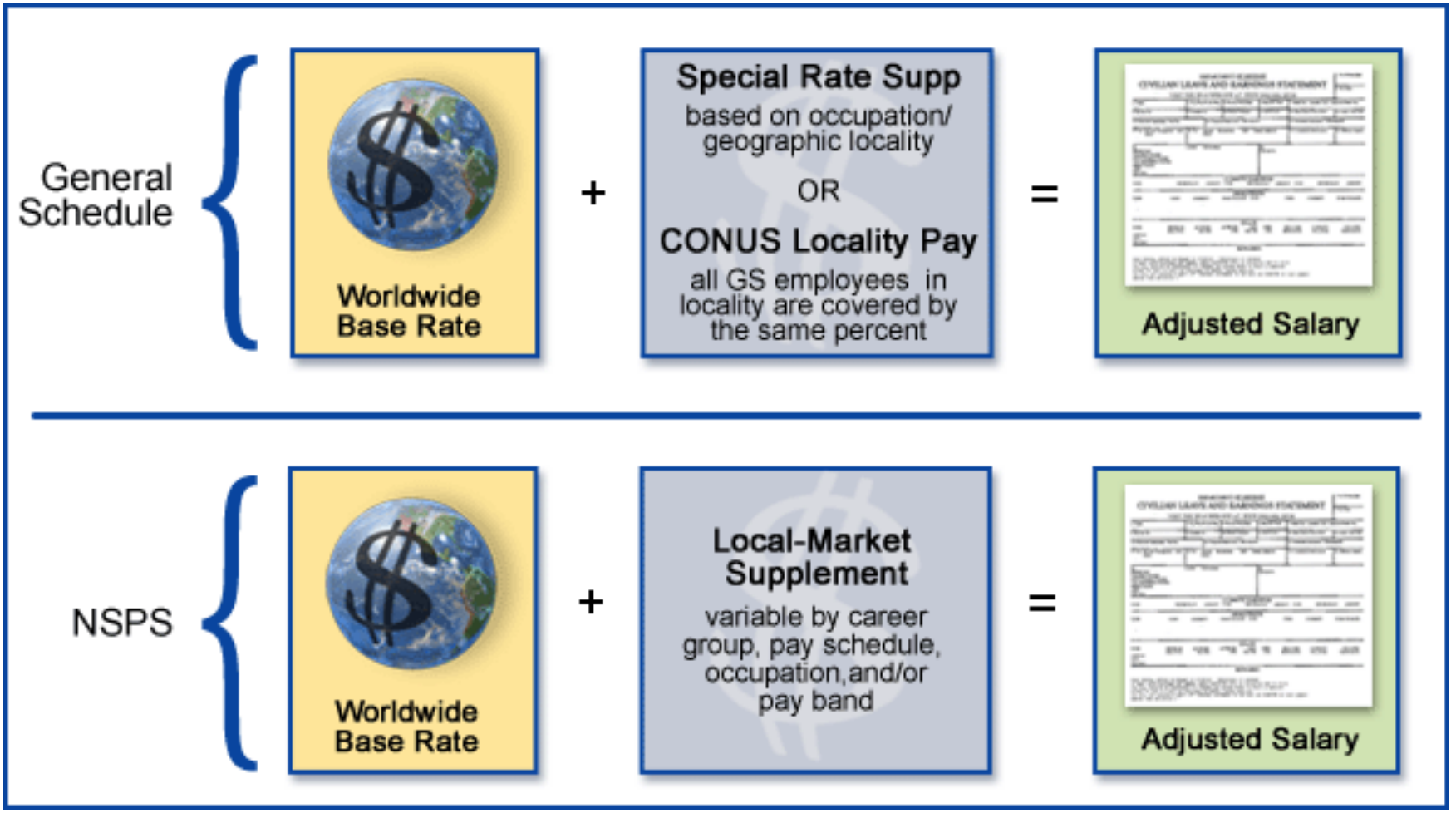
5 USC 2301 (b) (3)

Compensation

NSPS compensation system is based on principles that:

- Provide for equal pay for work of equal value within each local pay area.
- Promote a high-performance culture within the Department.
- Link pay to employee performance that is measured by a fair, credible, and transparent performance appraisal system.
- Provide pay incentives for a flexible, agile workforce.

What Constitutes Adjusted Salary



Local Market Supplement

Engineering and Scientific Career Group Example

Worldwide Base Rate (2007 rate)	+	Local Market Supplement	=	Total Pay
S&E CG, Prof PS – YD Pay Band 2 $38,824-$87,039		Professional Engineer and Scientist San Francisco LMS Rate 25%		$48,530-$108,799
		Mechanical Engineer San Francisco LMS Rate 32%		$51,248-$114,892
		Electronic Engineer San Francisco LMS Rate 42%		$55,131-$123,596
S&E CG, Tech/Sup PS – YE Pay Band 4 $62,740 -$87,039		Engineer Technician San Francisco LMS Rate 22%		$76,543-$106,188

LMS Considered Basic Pay for:

Retirement deductions, contributions, and benefits

Life insurance premiums and benefits

Premium pay

Severance pay

Recruitment, relocation, and retention incentives; supervisory differentials; and extended assignment incentives

Lump-sum payments for accumulated and accrued annual leave

Other payments and adjustments authorized by DoD

Eligibility for LMS Adjustment

- Employees receive if -
  - Current rating of record above unsuccessful
  - No current rating of record
  - On pay retention with a current rating of record above unsuccessful
- Employees do not receive if current rating of record is unsuccessful
- If LMS decreases, it decreases for everyone regardless of rating of record
- LMS is not portable

Rate Range and LMS Adjustments

- DoD reviews rate ranges and LMS annually
- Different pay schedules may be adjusted by different percentages
- Performance impacts eligibility
- LMS amount influenced by individual changes in base salary

Three Types of Pay Equity

- Internal equity
  - Pay rates for employees doing equivalent work within the organization
  - This does NOT mean everyone gets exactly the same pay for the same job!
- External equity
  - Market pay (Federal or private sector) for similar positions
- Individual equity
  - Pay-for-performance links employee effort to achievement of mission goals

Results:

- Promote a high-performance culture within the Department
- Link pay to employee performance that is measured by a fair, credible, and open performance appraisal system
- Provide pay incentives for a flexible, agile workforce

Pay Setting

- Army will delegate pay setting approval authority to Commands/DRUs with supplemental guidance
- Pay setting determinations will be based on:
  - Current salary – Salary History of candidate
  - Experience, education and training/certifications of candidate
  - Internal Equity Considerations (Pay Compression/Performance)
  - Market-Sensitive Data/Value
  - Salary Budget – Ability to Pay
  - “Total Remuneration” Perspective
  - Long-term Impact – Potential for Future Salary Growth
  - Scarcity of qualified applicants
  - Use of Recruitment, Relocation, or Retention Incentives (3Rs)
  - Critical Agency Business Need
  - Other appropriate criteria

Pay Band Range Vs. Position Pay Range

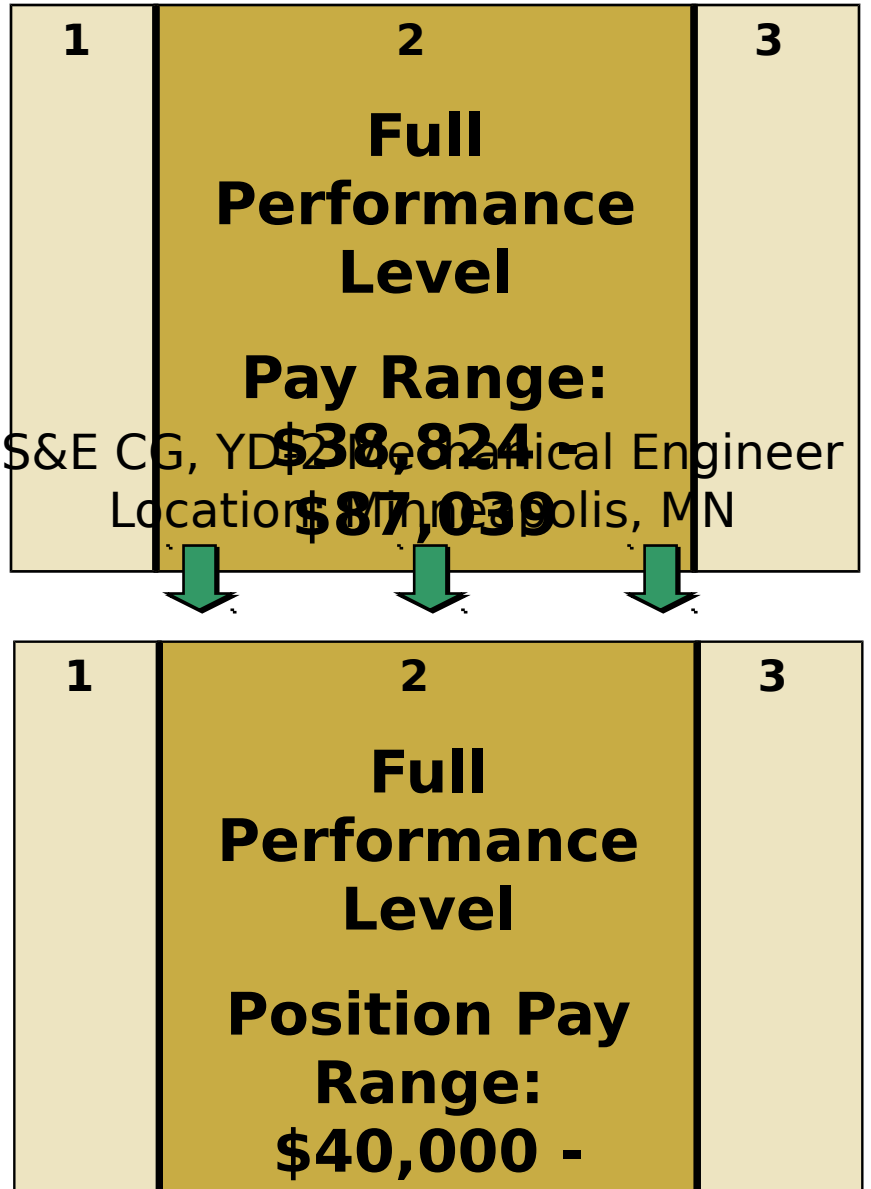
- Did you know……..?????
  - The maximum pay range for a position is not necessarily the top of the pay band.
  - For any given job, there are a number of factors that determine and drive the salary to be paid. The local labor market salaries for similar jobs will be a factor as will the level of difficulty of the position.
  - The pay range will likely be a subset of the full pay band.

- Progression within the pay range will be dependent upon the employee's performance.

Pay Band Range Vs. Position Pay Range

Example:

- Worldwide pay band range minimum of $38,800 & maximum of $87,000 for S&E CG, YD-2 PB (all)
- The market rate for a particular job in a particular location may range from $40,000 to $60,000.
- The pay for an employee in this position and location can be expected to fall within the range of $40,000 to $60,000.
- With locality of 18.17%, salary range is now $47,2698-70,902



Interim DOD Requirement – Determine GS-grade equivalency

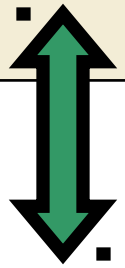
- DOD Managers Interim Guidance for Establishing Pay for Employees in NSPS requires managers to determine the former GS-grade equivalent.
- The manager must:
  - indicate the GS-grade equivalent on the PD when placing in FASCLASS.
  - Use the applicable GS-pay table salary rate when making new hire pay offers
- To determine GS-grade equivalent:
  - If existing PD in FASCLASS, use grade level already established
  - If new PD, compare with existing jobs in FASCLASS for closest match to duties and location
  - Get advice/assistance from CPAC HR Staff
  - Use OPM Classification Standards, if necessary

See the NSPS Interim Pay Setting Guide (handout)

Pay Setting: New Appointment / Reappointment

Example: Standard Career Group (Professional/Analytical Pay Schedule)

1	2	3
Entry Level/Developmental	Full Performance Level	Program Manager/Expert
$25,623 - $61,068	**$38,824 - $87,039**	**$75,879 - $127,031**



Interim Pay Setting Guidance provided by DoD

Example: GS 12 equivalent position – pay is at 12/step 1 (plus up to 30%)

See the NSPS Interim Pay Setting Guide (handout)

Reassignment

- Voluntary reassignment – Employees are eligible for a discretionary increase
  - Employee-initiated – May receive up to a 5% increase in a 12-month period
  - Management-directed – May receive up to a 5% increase with each reassignment
- Involuntary reassignment – Employees may receive a reduction in pay
  - Result of poor performance or misconduct – May receive up to a 10% reduction in pay in a 12-month period

Promotion

- Entitled to a minimum 6% increase
- May receive up to a 20% increase subject to authorized management approval
- May receive greater than a 20% increase if:
  - Approved by higher-level management official (as defined by the Component) OR
  - Needed to reach minimum rate of new pay band (higher-level approval not required)
- Pay cannot be lower than the minimum or higher than the maximum of the new rate range

Reduction in Band

- Voluntary reduction in band - Employees are eligible for a discretionary increase
  - May receive up to a 5% increase in a 12-month period
- Involuntary reduction in band – Employees may receive a reduction in pay
  - Result of poor performance or misconduct – May receive up to a 10% reduction in pay in a 12-month period
  - Pay cannot be lower than the minimum or higher than the maximum of the new rate range

Pay Retention

- Grade retention no longer exists
- Upon conversion to NSPS, pay retention will be applied if the salary does not fit in the band
- Pay retention applies for a two-year period after RIF, reclassification, or other appropriate circumstance
- May receive performance bonus
- Will receive local market supplement (LMS) increases

Pay Retention, continued

- Applies for two years from the effective date of the action generating retained pay
  - Until the rate range of the new position encompasses the employee's retained rate
  - Until the employee is assigned to a band where pay can be set, whichever occurs first
- Eligible for:
  - performance payout in the form of a bonus
  - lump-sum bonus awards and LMS adjustments
  - pay increase upon promotion
- Not eligible for increases to base salary as a result of performance payout or rate range adjustments

Overtime Pay Changes

- OT hourly rate changed from straight time to 1.5 X hourly rate of pay for the majority of employees regardless of FLSA status
- OT hourly rate same as straight time rate for all Supervisory PB2 & PB3 positions as well as all PB3 non-supervisory professional / analytical / medical / investigative positions & PB4 firefighter positions
- No change in Night / Holiday / Sunday pay
- Compensatory time / Travel Compensatory time continues

New Compensation Role

- Pay bands offer significant flexibility in setting and adjusting pay
- Optimum use of flexibility requires consideration of external pay alignment as well as internal
  - Major shift from past experience, which focused on internal grade alignment
  - Requires application of classification concepts and skills in different manner

Lesson 6
Performance Management: Planning

Return to TOC

Performance Management: Old vs. New

Old (TAPES)

- Ratings based on performance objectives
- Many performance cycles
- Rating scale 1 (top) to 5 (bottom)
- Most employee ratings are level 1 (Army: 81% were level 1 in FY05)
- 120 day minimum rating period
- Senior rater approves ratings

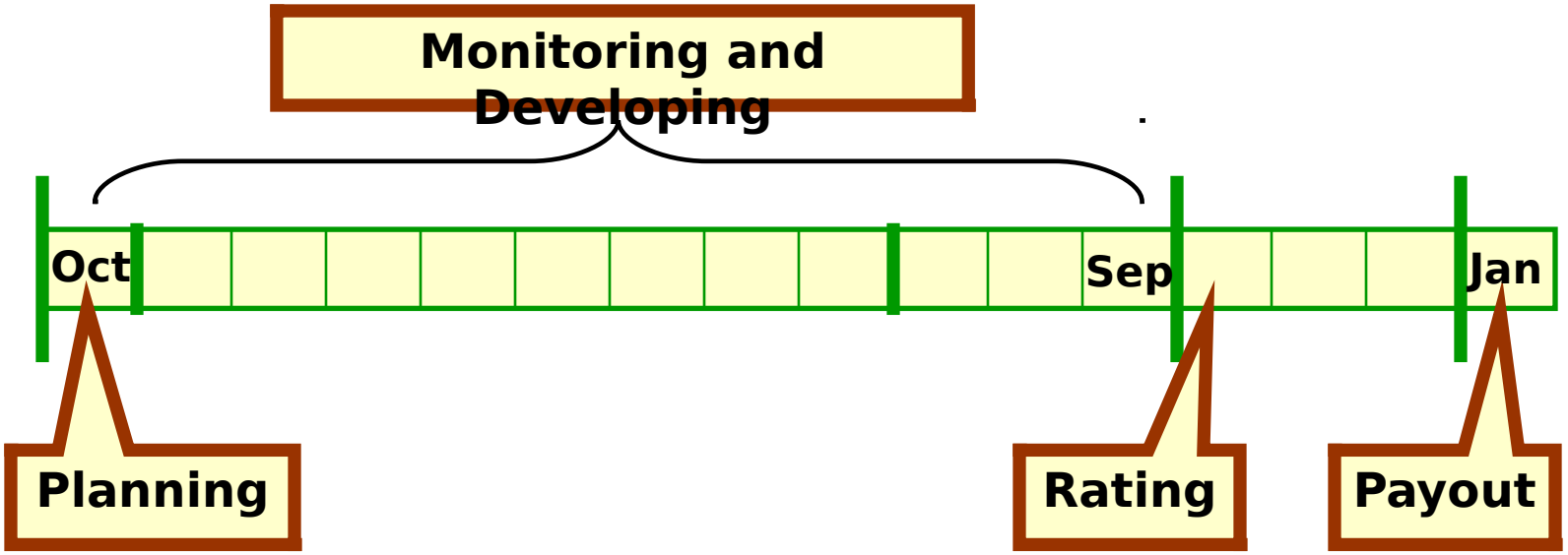
New (NSPS)

- Ratings based on job objectives
- One cycle (1 Oct – 30 Sep)
- Rating scale 5 (top) to 1 (bottom)
- Most employee ratings are anticipated to be level 3 (valued performer)
- 90 day minimum rating period
- Pay Pool Manager approves ratings

NSPS Performance Management Goals

- Results-oriented, mission-focused
- Establish accountability for and improve individual and organizational performance
  - Improve performance by defining the mission, goals, and management processes of an organization and work unit and by defining and linking individual goals and objectives that support the work unit and organizational goals
- Clear and understandable (fair, credible, and transparent)
- Provide a direct link between pay, performance, and mission accomplishment
  - Reflect meaningful distinctions in employee performance
  - Robust (capable of supporting pay decisions)

The NSPS Performance Cycle: 1 Oct-30 Sep*

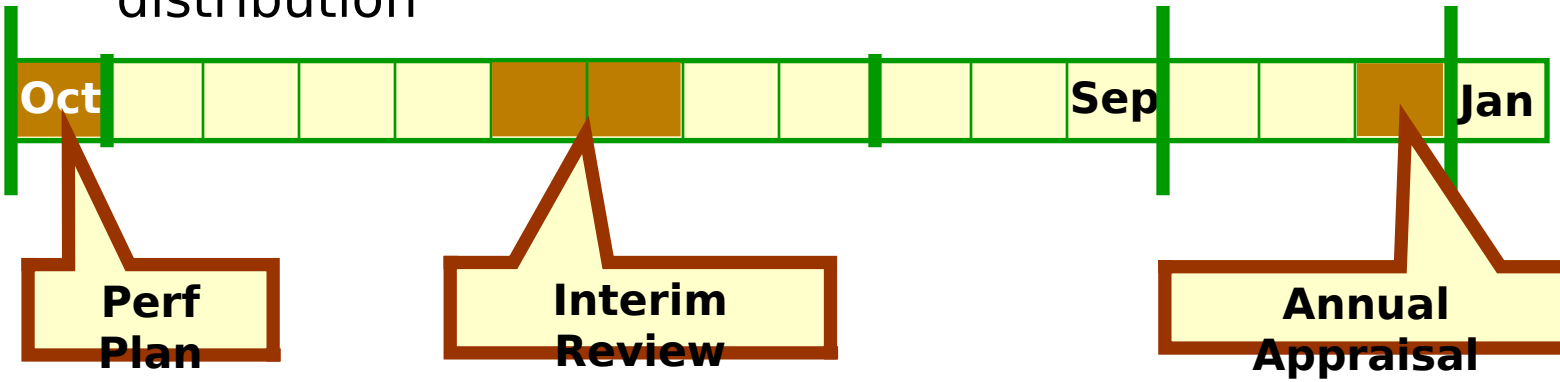


- **A 12-month performance cycle**
- **A 16-month process**

(* varies during conversion to NSPS)

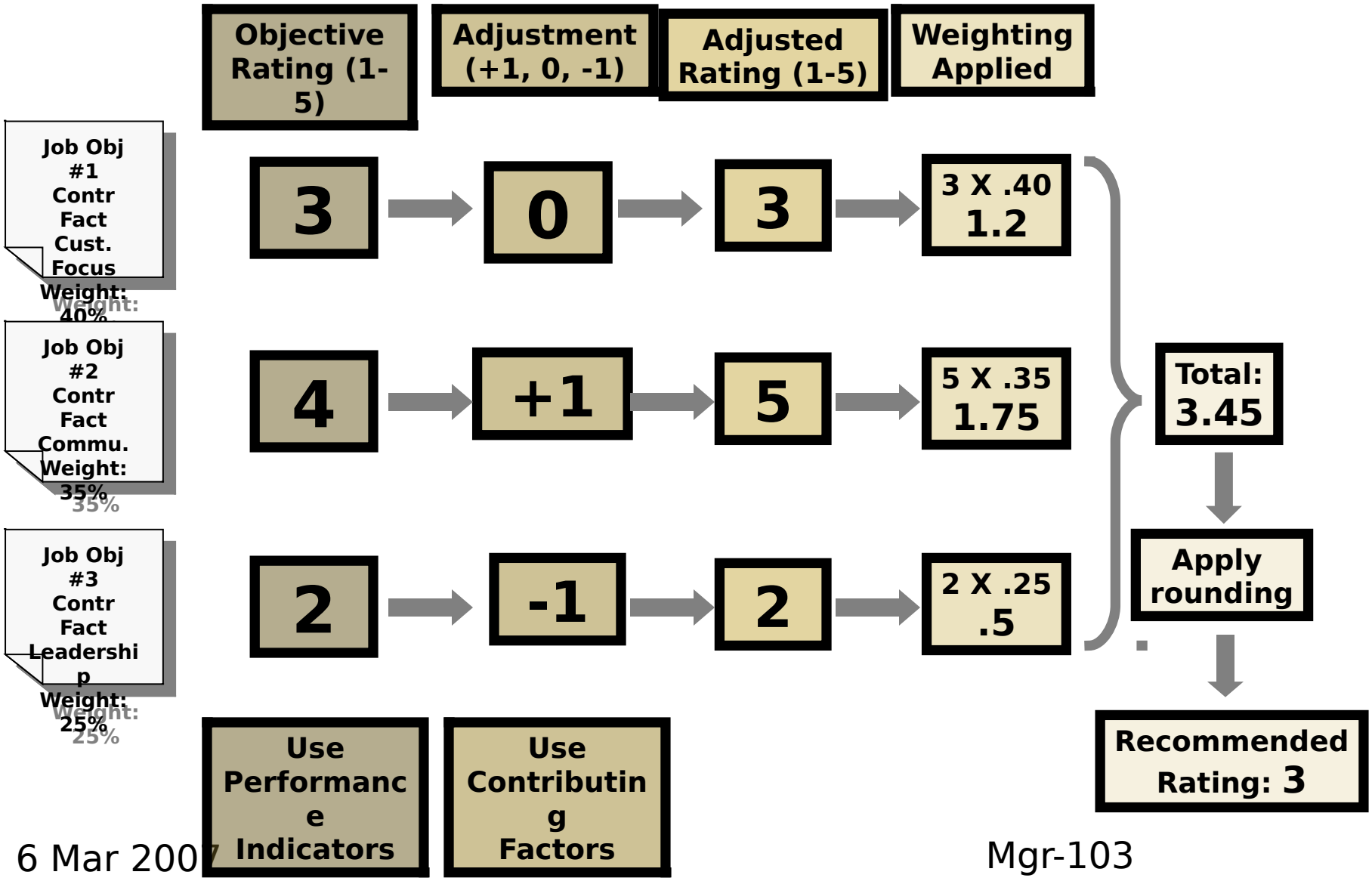
Performance Conversations

- NSPS requires three performance conversations (documented) between the supervisor and the employee during each performance cycle:
  - Performance Plan: establish performance expectations and job objectives
  - Interim Review: check and adjust employee performance
  - Annual Appraisal: share final ratings, shares, and payout distribution



See the NSPS Handbook (starting on page 71) for more informa

The Rating Process: A Peek Ahead



Automated Tools Supporting NSPS

The Defense Civilian Personnel Data System (DCPDS) is adding tools to assist in NSPS processes:

- Performance Appraisal Application (PA
- Compensation Workbench (CWB)
  - Assists in the management, control, and distribution of NSPS performance payouts
  - Available to pay pool panels
- Manage Pay Pool Identifier (MPP ID) Tool
  - Assigns employees to the correct pay pool
  - Identifies NSPS roles (pay pool panel members, pay pool managers, etc.)

The Performance Appraisal Application

Automated tool that:

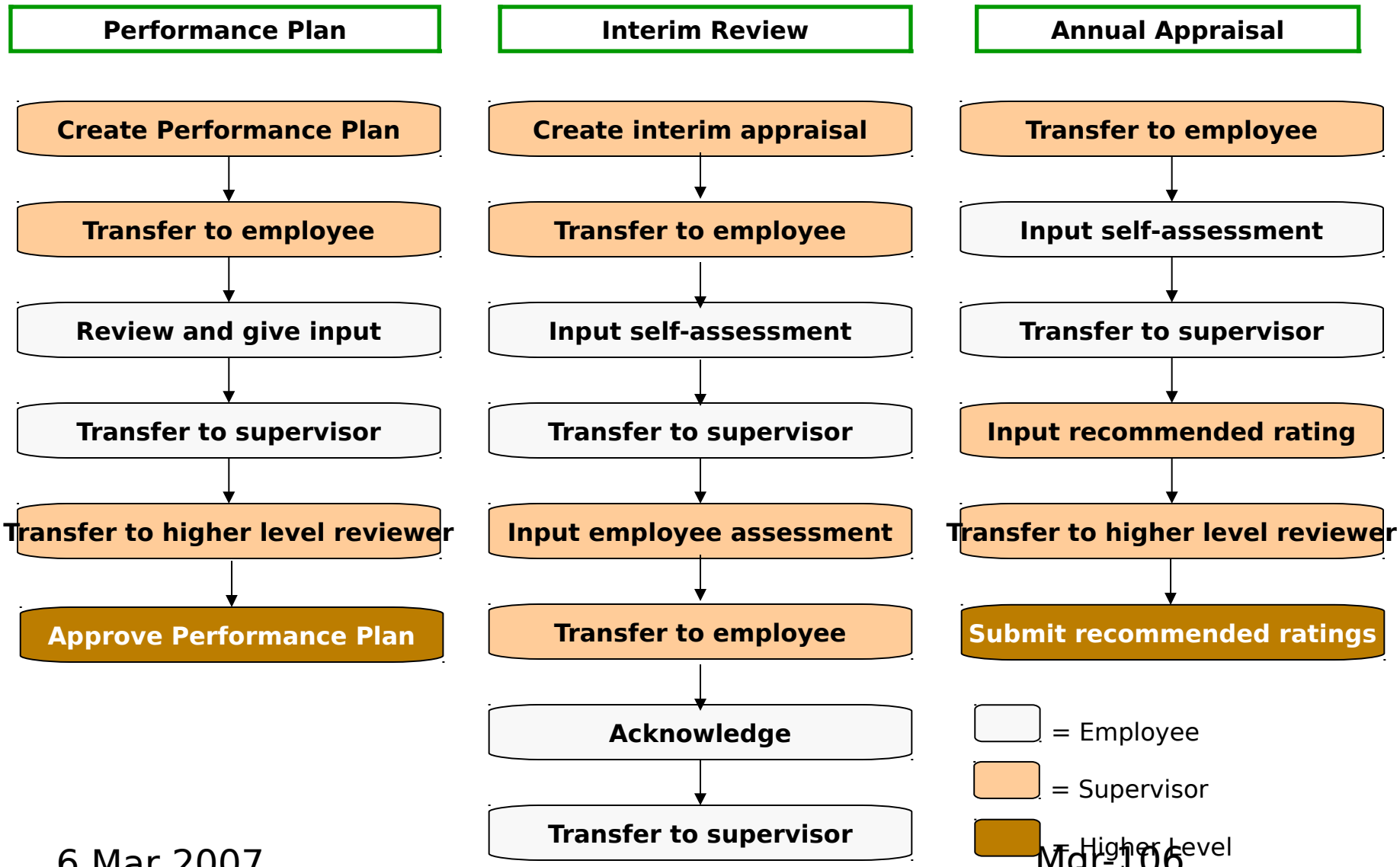
- Provides an electronic version of the Performance Appraisal form
- Provides for input of interim and annual employee and supervisory assessments
- Documents performance discussions
- Captures the recommended rating by the supervisor and the final rating
- Stores completed appraisals

- Accessible to both employees and supervisors
  - Accessed via CPOL to *My Workplace* (supervisor / manager) or *MyBiz* (employee)

See the NSPS Handbook (starting on page 129) for more deta

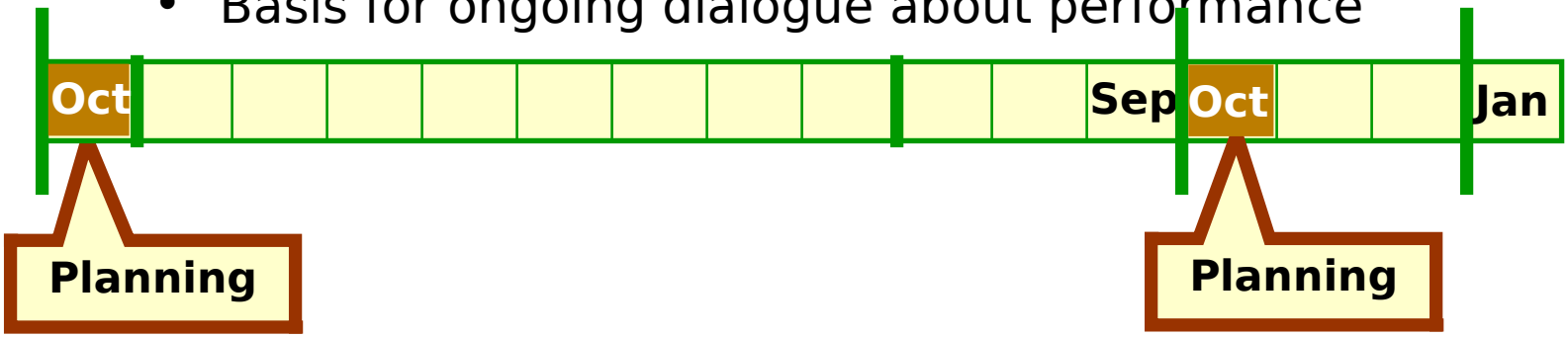
How-to guides and videos are at:
http://www.chra.army.mil/NSPS-training/how-to_videos.htm

My Biz / My Workplace Performance Appraisal Flow



Performance Planning

- Establish expectations
- Establish a written performance plan:
  - Identify and discuss objectives
  - Select contributing factors
  - Establish weighting
- The performance plan requires higher-level approval
- Identify developmental needs
- Basis for ongoing dialogue about performance



Performance Expectations

Performance Expectations are the duties, responsibilities, and competencies required by, or objectives associated with, an employee's position and the contributions and demonstrated competencies management expects of an employee

- Performance expectations will be communicated to the employee prior to holding the employee accountable and will be promptly adjusted as changes occur

Performance Expectations, con't

Performance expectations must align with and support the DoD mission and goals and may include:

- Goals or objectives that set performance targets at the individual, team, and/or organizational level
- Standard operating procedures, manuals, internal rules and directives, etc.
- Competencies an employee is expected to demonstrate, or the contributions an employee is expected to make
- Work assignments can be used to amplify performance expectations and may specify quality, quantity, accuracy, and/or timeliness
- Conduct and/or behavior

A Performance Management System based on Job Objectives

Job objectives are:

- A way to capture performance expectations
- The platform by which employees are rated
- A way for managers and supervisors to communicate the major work that needs to be accomplished
- Required to be aligned with (clearly tied to) organizational goals and the DoD mission
  - When communicating job objectives to employees, supervisors need to fully explain the relationship between an employee's accomplishments and achieving organizational goals

Job Objectives = “What”

- Communicate specific individual, team, or organizational responsibilities and expected contributions with related outcomes and accomplishments
- Draw a line of sight between the employee’s work, the work unit’s goals, and the organization’s success
- Results-oriented and mission-focused
- Appropriate for current salary and pay band
- Must be weighted
- Written in the “SMART” framework

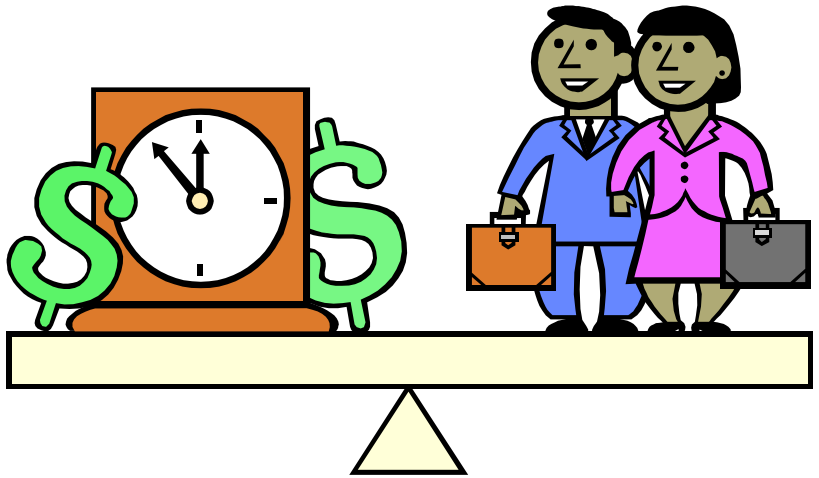
Requirements for Job Objectives

For managers

- At least 1
- Usually 3 to 5
- Must be weighted
- Linked to mission
- At least one supervisory objective

For employees

- At least 1
- Usually 3 to 5
- Must be weighted
- Linked to mission



Effective Job Objectives

- Performance focus
  - Objectives should be crafted to bring out the best in individual and team performance
  - They can help keep the focus on the important tasks, not on many needless activities
- Alignment with the organization
  - Objectives must make sense in the context of the organization
  - Individual objectives must align with the organization's goals and/or mission
- Appraisal/management tool
  - Objectives should not only drive the work, they also serve as a method to assess accomplishments
  - They are used as an appraisal tool at the end of the performance management cycle

SMART Objectives

S - Specific

- Specific regarding the result (not the activities to achieve that result)

M - Measurable

- Quantity (how many), time (how long), quality (how good), resources (how much)

A - Aligned

- Aligned objectives draw a line of sight between the employee's work, the work unit's goal, and the organization's mission

R – Realistic and Relevant

- Realistic: Can be accomplished with the resources, personnel, and time
- Relevant: Are important to the employee and to the organization

T - Timed

- There is a point in time when the objective will start, or when it will be completed

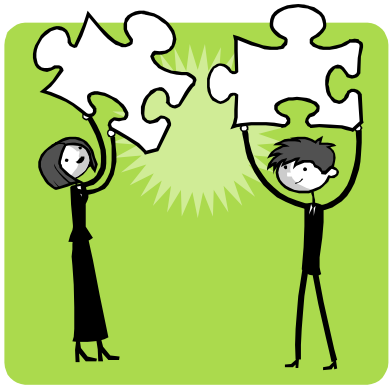
The Army guide to writing job objectives is in the NSPS Handbook (starting o

Objectives vs. Task Descriptions

Task description ⟷ **Objective**

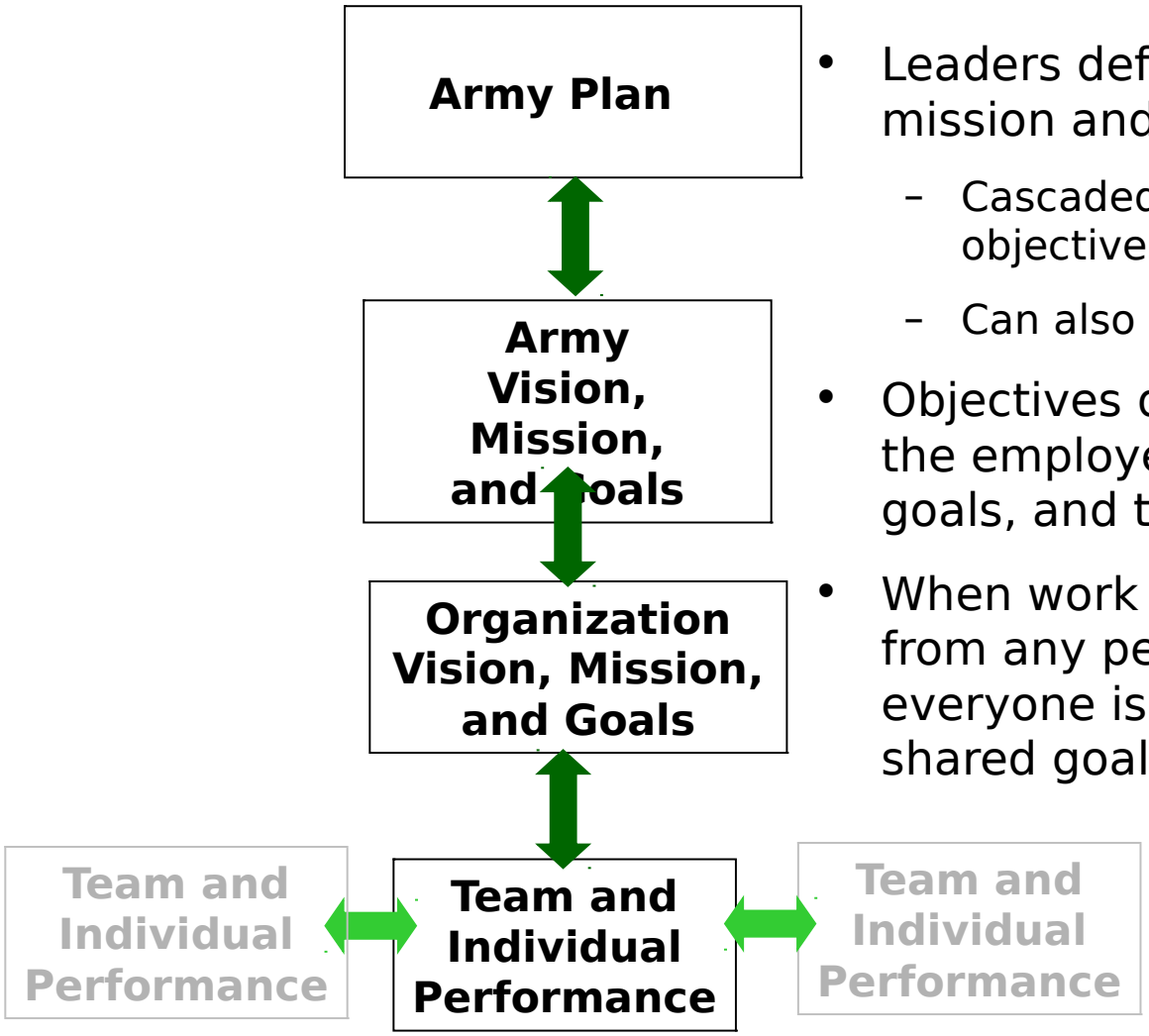
- Focus on activity
- "How"
- Manager ultimately responsible for outcome

- Focus on **result**
- "What"
- Employee responsible for outcome



An objective is a description of a future situatio

Aligning Work to Mission


Army Plan
Army Vision, Mission, and Goals
Organization Vision, Mission, and Goals
Team and Individual Performance
Team and Individual Performance
Team and Individual Performance

- Leaders define the organization's mission and strategic goals
  - Cascaded to the work unit and employee objectives
  - Can also align work horizontally
- Objectives draw a line of sight between the employee's work, the work unit's goals, and the organization's success
- When work is aligned to the mission, from any perspective you choose, everyone is working together towards shared goals

Army Values

Loyalty	**Bear true faith and allegiance to the U.S. Constitution the Army, your unit/other Soldiers**
Duty	**Fulfill your obligations**
Respect	**Treat people as they should be treated**
Selfless Service	**Put the welfare of the Nation, the Army, and subordinates before your own**
Honor	**Live up to all the Army values**
Integrity	**Do what's right – legally and morally**
Personal Courage	**Face fear, danger or adversity (physical or moral)**

- Rating Officials will
  - Discuss values / ethics with employees
  - Document positive aspects of Army values on the annual performance appraisal

Supervisory Job Objective

The mandatory supervisory job objective must cover these criteria:

- Communicating performance expectations and holding employees responsible for accomplishing them
- Making meaningful distinctions among employees based on performance and contribution
- Fostering and rewarding excellent performance
- Addressing poor performance
- Ensuring that employees are assigned a rating of record when implementing issuances require
- Adhering to laws and regulations governing merit-systems principles, prohibited personnel practices, and equal employment opportunity

Mandatory Army Supervisory Objective

Execute the full range of human resources (including performance management as outlined in DoD 1400.25-M, SC1940.5.7.4.) and fiscal responsibilities within established timelines and in accordance with applicable regulations. Adhere to merit principles. Develop a vision for the work unit; align performance expectations with organizational goals. Maintain a safe work environment and promptly address allegations of noncompliance. Ensure EEO/EO principles are adhered to throughout the organization. Ensure continuing application of, and compliance with, applicable laws, regulations and policies governing prohibited personnel practices; promptly address allegations of prohibited discrimination, harassment, and retaliation.

This is in the NSPS Handbook (page 83)

What are Performance Indicators?

- Descriptions of levels or thresholds of employee performance.
- Applied in the rating of job objectives
- Standardized across the DoD
- Arranged by Pay Schedule (Professional / Analytical, Technician / Support, Supervisory) and Pay Band
- Benchmarks defined at Level 3 and Level 5 performance

Performance Indicator Example

Performance Indicators Professional / Analytical Pay Schedule (non-supervisory) - Pay Band 2	
Level 3	Level 5 *(Additions at this level)*
• Effectively achieved the stated objective, anticipating and overcoming significant obstacles. Adapts established methods and procedures when needed. • Results were technically sound, accurate, thorough, documented, and met applicable authorities, standards, policies, procedures and guidelines. • Planned, organized, prioritized, and scheduled own work activities to deliver the objective in a timely and effective manner, making adjustments to respond to changing situations and anticipating and overcoming difficult obstacles as necessary. • Demonstrated high standards of personal and professional conduct and represented the organization or work unit effectively.	• Contributed results beyond what was expected; results were far superior in quality, quantity, and/or impact to the stated objective to what would be expected at this level. • Exhibited the highest standards of professionalism.

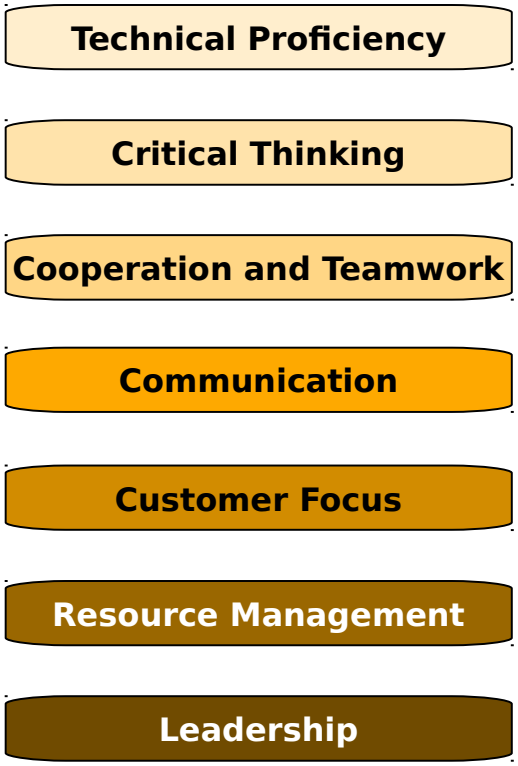
All the Performance Indicators are in the NSPS Handbook (starting on pag

Rating Levels for Job Objectives

5	Employee exceeded the assigned job objective at a level of performance equal to, or above, the Level 5 performance indicator.
4	Employee exceeded the assigned job objective at a level of performance above the Level 3 indicator, but below the Level 5 performance indicator.
3	Employee met the assigned job objective at a level of performance equal to the Level 3 indicator.
2	Employee met the assigned job objective at a level of performance below the Level 3 Performance indicator or needed guidance and assistance beyond that described in the Level 3 indicator.
1	Employee failed to achieve the assigned job objective or failed in the performance of a single assignment where such failure had a significant negative impact on accomplishment of the mission or where a single failure resulted in or could result in death, injury, breach of security, or great monetary loss.
NR	Employee did not have an opportunity to perform the job objective because it became obsolete or could not be accomplished due to extenuating circumstances. Weight of non-rated objective is re-distributed among the other objectives.

Contributing Factors = "How"

- Select up to 3 for each job objective
- Attributes of job performance that are significant to the accomplishment of individual job objectives
- Further defined by "work behaviors" and "benchmark descriptors"
- Standard across DoD
- Described at the "expected" and "enhanced" level



U.S.ARMY

NSPS
CIVILIAN LEADERS SUPPORTING SOLDIERS

Contributing Factors Benchmark Example

Cooperation and Teamwork Contributing Factor Professional and Analytical Pay Schedule - Pay Band 2	
Expected	**Enhanced (Additions at this level)**
• Contributes to achieving work unit goals by working collaboratively and flexibly with others and building effective partnerships across units. • Treats everyone fairly and professionally, respecting and valuing individual differences and diversity. • Shares relevant knowledge and information with others. • Contributes to a positive team atmosphere that fosters cooperation, trust, and group identity. • Handles challenging work-related disagreements or conflicts and resolves them in a positive and constructive manner; develops options to resolve disagreements or conflicts that require resolution at a higher level.	• Contributes to achieving organizational objectives by building effective partnerships across organizations. • Takes initiative to make extra contributions to work unit efforts; recognizes when others need assistance and provides support to advance unit goals. • Fosters a climate of trust by demonstrating respect for and value of individual differences and diversity. • Seeks out opportunities to share relevant knowledge and skills with others. • Develops formal knowledge sharing systems (e.g., work aids, technical papers, etc.). • Anticipates and strives to mitigate potential conflicts or disagreements.

All the Contributing Factor Benchmarks are in your Handbook, starting at page 1

Requirements for Selecting Contributing Factors

For manager

- At least one, usually no more than three for each objective
- Intentional choice
- Tied to objective rather than employee
- “Leadership” must be selected for the supervisory job objective

For employee

- At least one, usually no more than three for each objective
- Intentional choice
- Tied to objective rather than employee

Effect on Rating

Contributing factor

In the execution or accomplishment of the assigned job objective the employee demonstrated a manner of performance…

… **matching** or **exceeding** the description provided in the **Enhanced** benchmark descriptor(s). → +1

… **matching** or **exceeding** the description provided in the **Expected** benchmark descriptor(s), but below that described by the Enhanced benchmark descriptor(s). → 0

… **below** the description provided in the **Expected** benchmark descriptor(s). → -1

Contributing Factors: Special Situations

- A job objective rating of 1 cannot be adjusted
- A job objective rating of 2 cannot be adjusted down
- A job objective rating of 5 cannot be adjusted up

Weighting Objectives

- Weighting is a way of giving more emphasis to one objective over another
- Army requires that job objectives be weighted
- Weight is established at the start of the performance cycle – when the objectives are established and contributing factors identified
- Rules
  - No objective can be weighted less than 10 percent
  - Total weight must equal 100 percent
  - Weights must be in 5-percent intervals
  - If an objective is not rated (NR), the weight of that objective must be re-distributed among the other objectives

The Performance Plan Conversation

PURPOSES

- To reach a joint understanding of performance expectations for the current (new) rating cycle
- To explain the organization's goals and to align employee objectives with these goals
- To establish timelines and measurement methods
- To identify developmental needs

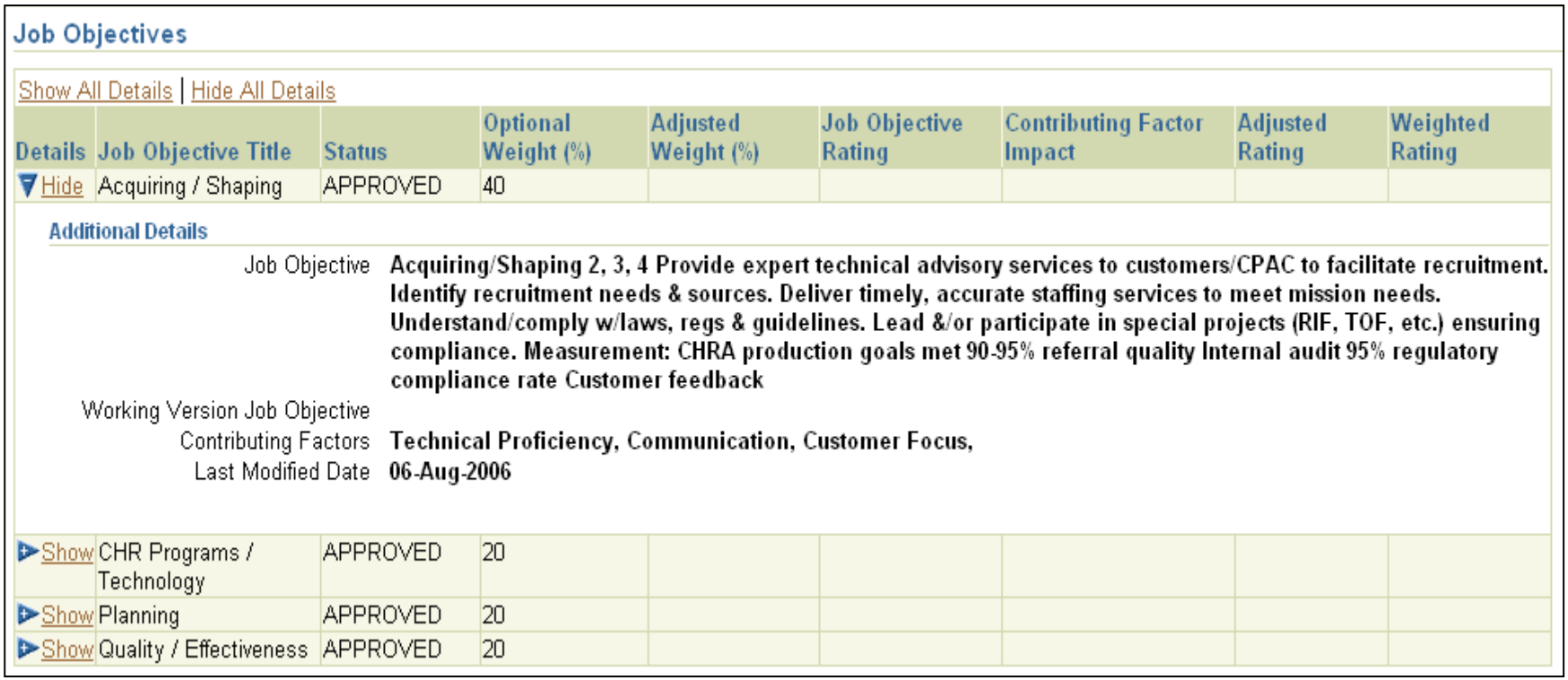
OUTCOMES

- Performance plan
- Development plan
- Conversation notes, other relative documentation

More detail on this conversation is in your Handbook, starting at page 71

In the Performance Appraisal Application

- This shows what the job objectives look like when they are entered into the Performance Appraisal Application
- The objective, contributing factors, and weight are all established ahead of time
- The objective rating, contributing factor adjustment, adjusted and weighted rating are done after the rating cycle is completed



Job Objectives

Show All Details | Hide All Details

Details	Job Objective Title	Status	Optional Weight (%)	Adjusted Weight (%)	Job Objective Rating	Contributing Factor Impact	Adjusted Rating	Weighted Rating
Hide	Acquiring / Shaping	APPROVED	40					
Show	CHR Programs / Technology	APPROVED	20					
Show	Planning	APPROVED	20					
Show	Quality / Effectiveness	APPROVED	20					

Additional Details

Job Objective: **Acquiring/Shaping 2, 3, 4 Provide expert technical advisory services to customers/CPAC to facilitate recruitment. Identify recruitment needs & sources. Deliver timely, accurate staffing services to meet mission needs. Understand/comply w/laws, regs & guidelines. Lead &/or participate in special projects (RIF, TOF, etc.) ensuring compliance. Measurement: CHRA production goals met 90-95% referral quality Internal audit 95% regulatory compliance rate Customer feedback**

Working Version Job Objective

Contributing Factors: **Technical Proficiency, Communication, Customer Focus,**

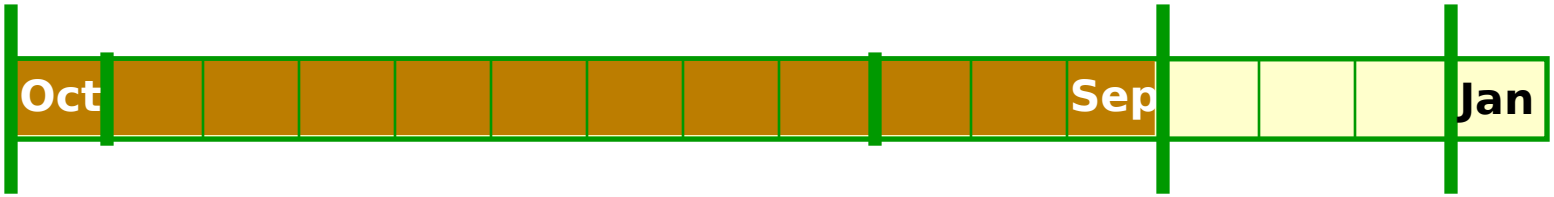
Last Modified Date: **06-Aug-2006**

Lesson 7
Performance Management: Monitoring

Return to TOC

Performing, Monitoring, Developing

- Throughout the performance cycle:
  - The employee is working toward accomplishing the established job objectives
  - The supervisor is monitoring employee performance and providing assistance, feedback, and direction as needed
  - Both employee and supervisor are taking steps toward developing the employee



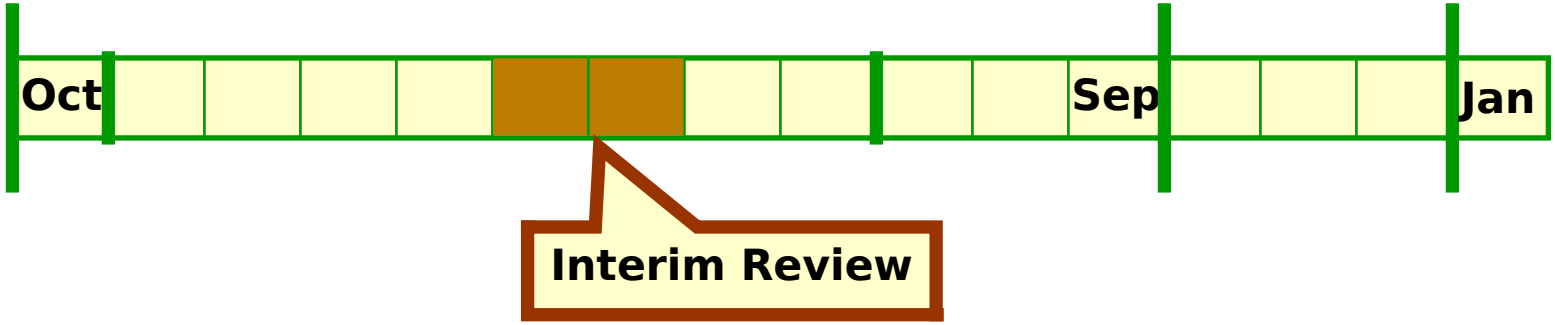
Documenting Performance

- Employees need to complete a self-assessment at the end of the rating cycle
- To facilitate completing the self-assessment, employees are encouraged to maintain a record of their performance throughout the appraisal period
- Examples:
  - Weekly Status Report
  - Outlook's Task List
  - Notebook
- Employees should also complete a self-assessment as part of the Interim Review process – good practice

More information on documenting performance is in the NSPS Handbook, starting at page 8

Interim Review

- An interim performance review is required at least once during the performance management cycle
- Check on progress towards objectives, make necessary adjustments
- Provides an opportunity for feedback so the employee has the direction to achieve the objectives
- Documented in the automated appraisal tool



Interim Review Conversation

Preparation

- Employees should write a self-assessment (recommended)

Purposes

- Check progress toward achieving objectives
- Make course corrections as needed
- Provide feedback so the employee has the direction needed to achieve objectives

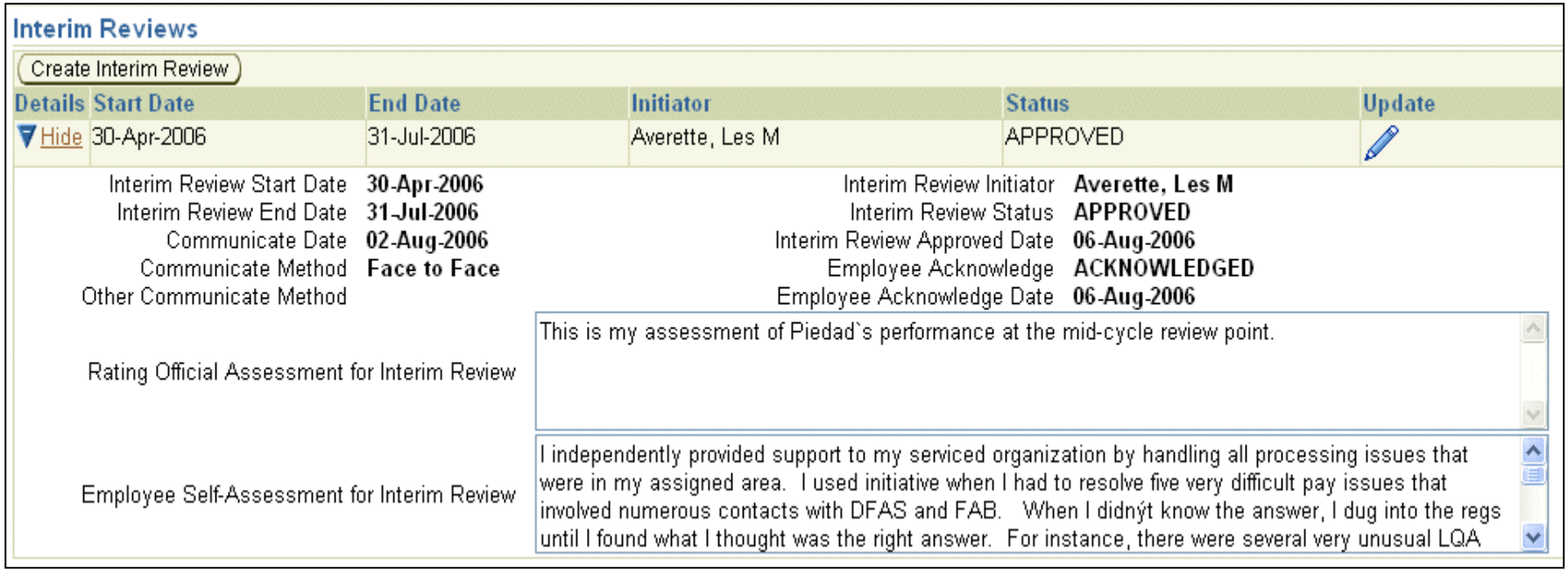
Outcomes

- Documented conversation
- Adjusted performance plan (if needed)

More detail on this conversation is in the NSPS Handbook, starting at page 71

Interim Review Screen

- This shows an interim review record in the Performance Appraisal Application
- Note the starting and ending dates
- The tool will allow documenting more than one interim review



Interim Reviews

Create Interim Review

Details	Start Date	End Date	Initiator	Status	Update
Hide	30-Apr-2006	31-Jul-2006	Averette, Les M	APPROVED	

Interim Review Start Date	**30-Apr-2006**	Interim Review Initiator	**Averette, Les M**
Interim Review End Date	**31-Jul-2006**	Interim Review Status	**APPROVED**
Communicate Date	**02-Aug-2006**	Interim Review Approved Date	**06-Aug-2006**
Communicate Method	**Face to Face**	Employee Acknowledge	**ACKNOWLEDGED**
Other Communicate Method		Employee Acknowledge Date	**06-Aug-2006**

Rating Official Assessment for Interim Review: This is my assessment of Piedad`s performance at the mid-cycle review point.

Employee Self-Assessment for Interim Review: I independently provided support to my serviced organization by handling all processing issues that were in my assigned area. I used initiative when I had to resolve five very difficult pay issues that involved numerous contacts with DFAS and FAB. When I didnýt know the answer, I dug into the regs until I found what I thought was the right answer. For instance, there were several very unusual LQA

Mock Pay Pool Exercise

- Conduct of a mock pay pool exercise is strongly recommended
  - Particularly during the first performance cycle under NSPS
  - Can be done in conjunction with Interim Review
  - Will provide valuable lessons learned for application during final appraisal
  - Non-threatening (no pay implications)
- Purposes
  - Gives employees the chance to draft up a self-assessment
  - Provides rating practice for supervisors for the final appraisal
  - Provides pay pool panels with practice in reconciling ratings from different supervisors
  - Provides everyone with practice using the automated tools
- Makes the end-of-cycle rating process much smoother

Continuing Performance Discussions

- Recurring:
  - Revisit performance expectations.
  - Check progress
- Formal or informal
- Establish the relationship and ensure framework for the discussion is in place
- Ease the process in the event difficult conversation is required

Feedback Aims & Opportunities

Feedback aims

- To reinforce positive behavior
- To acknowledge contributions and accomplishments
- To anticipate difficulties
- To remedy shortfalls

Feedback opportunities

- In the moment

  For instance …

  - When answering a question
  - When things go well (or not)

- On a schedule

  For instance …

  - Following completion of a project or task
  - During required Performance Conversations

Coach and Motivate Employees

- Motivate and inspire
- Align employees' core values with the mission of the organization
- Help high performers to work with and encourage low performers:
  - Provide informal mentorship
  - Ensure contribution to team
- Promote a high performing organization – most employees want to do a good job
  - How can you help make that happen?

Adjusting a Performance Plan

Guidelines for changing the performance plan

- Performance plans may be changed during the year
- Objectives, contributing factors, and weights may be changed together or separately
- The employee should have sufficient time before the end of cycle to work towards a new performance plan
- Best practice: no changes in performance plan after mid-cycle review
- No surprises

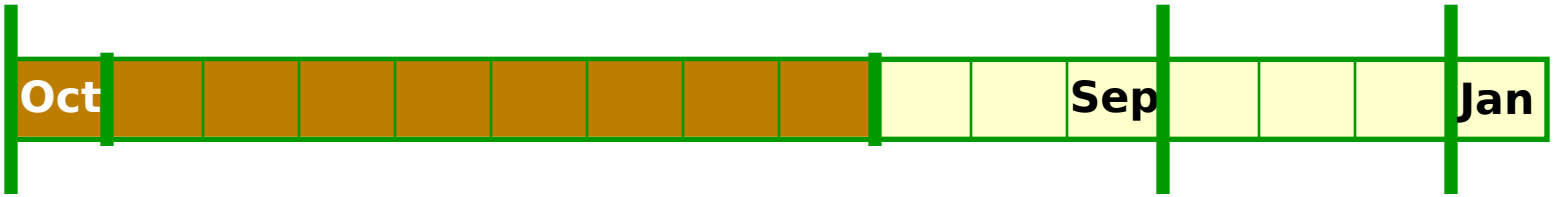
Developing

Options:

- Meaningful performance-related discussion
- Mentoring and coaching
- Classroom training
- Participation in process-improvement teams
- Details and reassignments
- Review and update Individual Development Plans

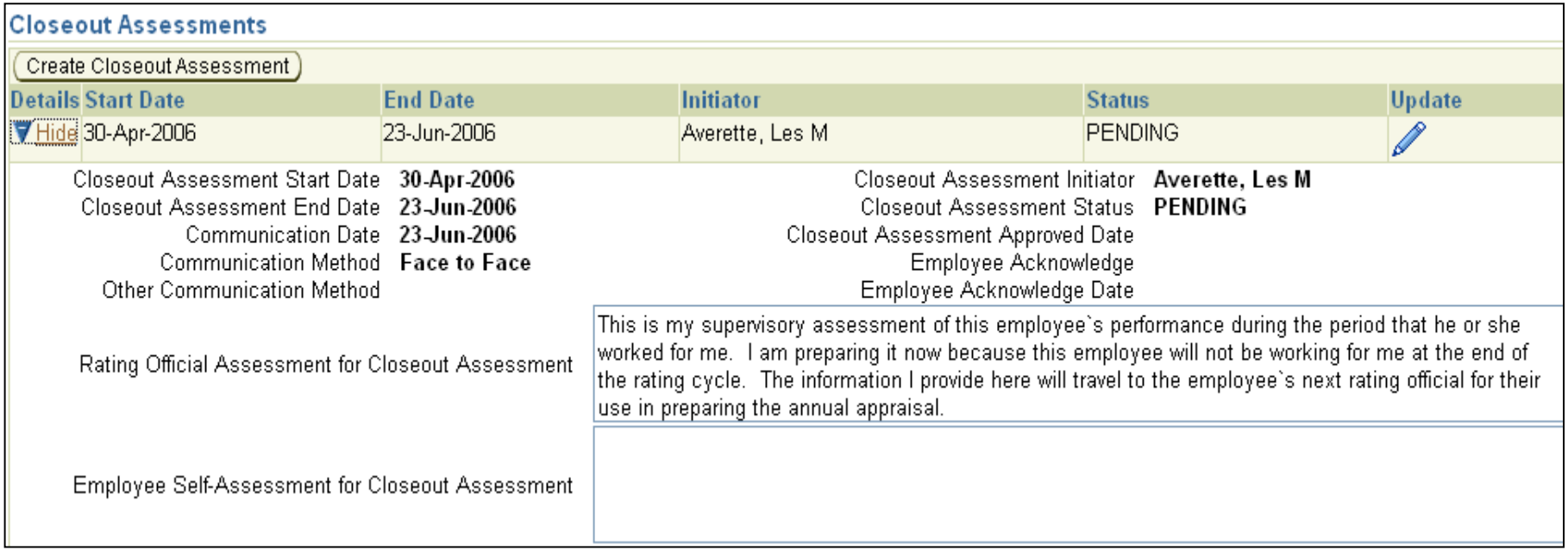
Closeout Assessments

- Closeout Assessment:
  - Documents an assessment for an employee who will not be rated by you at the end of the performance period
  - For employees who move from one position to another or from one supervisor to another during the appraisal period
- The supervisor's assessment is made available to the new rating official for his or her use when preparing the final appraisal
- Space is provided on the DD Form 2906 and in the Performance Appraisal Application for this
  - Also provides for transferring the automated form to another rating official



Closeout Assessment Screen

- This shows a closeout assessment record in the Performance Appraisal Application
- The tool will allow documenting more than one such assessment should it be needed
- The performance appraisal is “transferred” to the new rating official once the assessment is completed



Closeout Assessments

Create Closeout Assessment

Details	Start Date	End Date	Initiator	Status	Update
Hide	30-Apr-2006	23-Jun-2006	Averette, Les M	PENDING	

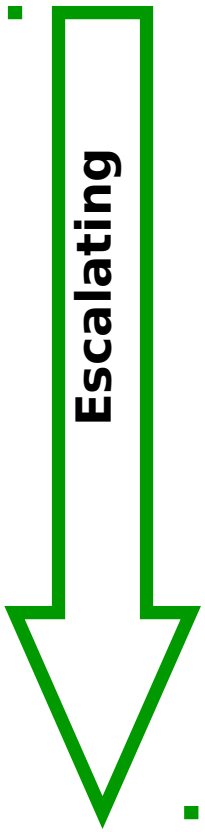
Closeout Assessment Start Date	**30-Apr-2006**	Closeout Assessment Initiator	**Averette, Les M**
Closeout Assessment End Date	**23-Jun-2006**	Closeout Assessment Status	**PENDING**
Communication Date	**23-Jun-2006**	Closeout Assessment Approved Date	
Communication Method	**Face to Face**	Employee Acknowledge	
Other Communication Method		Employee Acknowledge Date	

Rating Official Assessment for Closeout Assessment

This is my supervisory assessment of this employee`s performance during the period that he or she worked for me. I am preparing it now because this employee will not be working for me at the end of the rating cycle. The information I provide here will travel to the employee`s next rating official for their use in preparing the annual appraisal.

Employee Self-Assessment for Closeout Assessment

Addressing Performance Deficiencies



Options

- Remedial training
- Mentoring
- Coaching
- Reassignment
- Performance Improvement Plan
- Letter of counseling
- Verbal or written warning

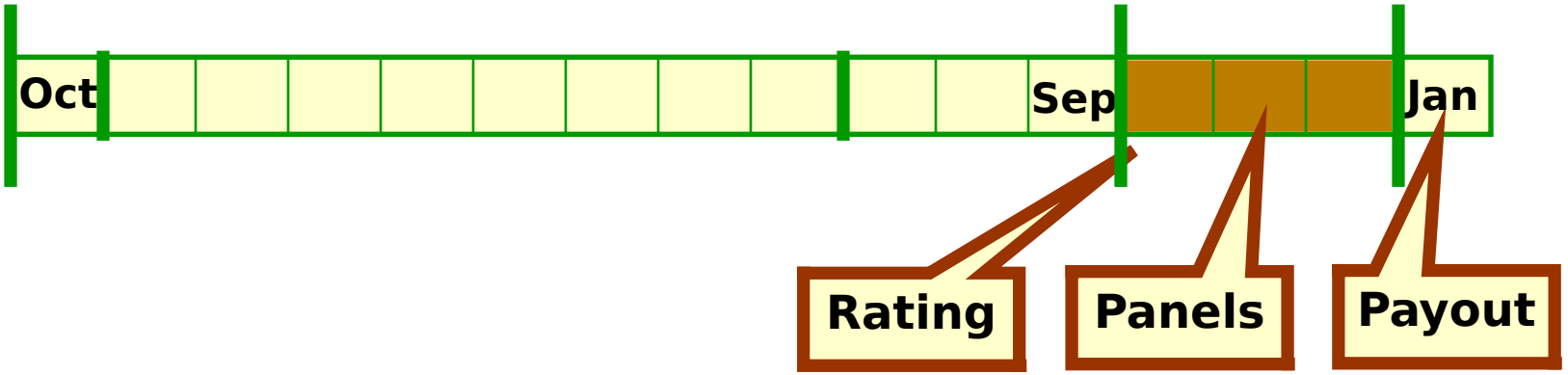
- Written reprimand
- Adverse action

Lesson 8
Performance Management: Rating

Return to TOC

Rating and Rewarding

- The rating and rewarding phase occurs after the end of the rating cycle
- Employees complete their self-assessments at the end of the cycle
- Ratings are done immediately thereafter
- Pay pool panels meet (Nov-Dec)
- Once approved by the pay pool manager, final ratings are relayed to the employee during the appraisal conversation
- The payout is effective on the first full pay period in January



General Rules

Requirements:

- Minimum of 90 days performance (cumulative) in an appraisal period
- Rating period may be extended in limited circumstances (administrative error)

Special Situations:

- Employees who have not completed the minimum period of performance (90 days) under an approved NSPS performance plan during the appraisal period will not receive a performance score and will not be eligible for a performance payout
- Deployed employees (uniformed) who have not served the minimum time are given their last rating of record or the pay pool modal rating (whichever is more advantageous to the employee)

See the NSPS Handbook (page 92) for more information

Roles: Who's Involved?

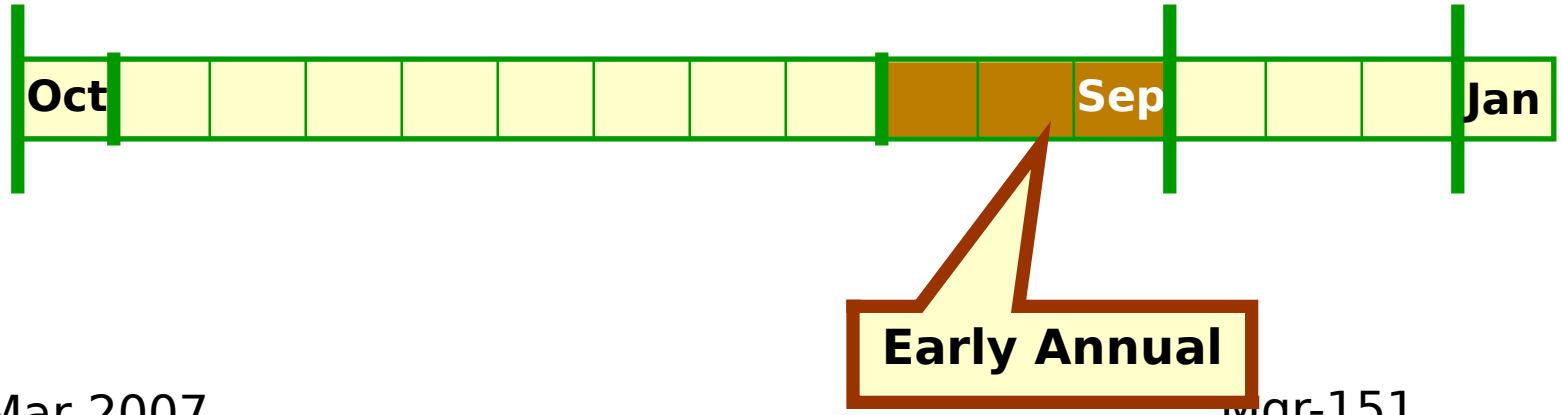
Employee	Keeps track of accomplishments, provides information to rating official, assists in establishing job objectives.
Rating Official	Immediate supervisor. Establishes job objectives and performance expectations, monitors performance, rates employees, recommends rating, shares, and distribution to second level reviewer and pay pool panel.
Second Level Reviewer	Manager above supervisor. Reviews and approves performance plans. Adds bullet comments and addresses employee potential during annual appraisal. Reviews and adjusts recommended ratings, shares, and distribution from rating official(s).
Pay Pool Panel	Comprised of managers who review and recommend final ratings, shares, and distributions ("reconciliation") to the pay pool manager.
Pay Pool Manager	Senior manager who makes final decisions on all ratings, shares, and distributions. Appoints pay pool panel members and makes certification decisions.
Performance Review Authority	Higher level review body that oversees several pay pools, establishes pay pool funding levels, and looks into employee requests for reconsideration.

Rating Recommendations vs. Final Rating

- The supervisor *recommends* the rating, number of shares, and payout distribution
  - Based on the job objective rating, adjustments due to contributing factors, weighting
- The higher level reviewer may change the *recommendations*
- The pay pool panel may change the *recommendations*
- NO rating is final until approved by the pay pool manager and/or Performance Review Authority
- *Recommendations* are not to be shared with employees

Early Annual Ratings

- Early Annual Rating:
  - When the supervisor leaves a supervisory position within 90 days of the end of appraisal period
  - When the employee is reassigned within NSPS within 90 days of the end of the appraisal period
- Employee participates in pay pool (and payout) if the employee remains
- Refer specific situations to your servicing CPAC



Employee Self-Assessment

- Provides an opportunity for the employee to describe their accomplishments relative to performance expectations, including job objectives and associated contributing factors, organizational mission and goals, team goals, etc.
- Input will assist the rating official in evaluating more fully the employee's performance and results of that performance
- Supervisors can talk to their employees to clarify information that the employee provides
  - Not a required conversation

Writing the Self-Assessment

When writing your self-assessment:

- Address each of your job objectives specifically; remember, you will be rated on each objective individually
- Highlight your most significant achievements for the year, focusing on the results of your work
- Make the connection between what was done and why that should matter to the organization
- Show how your performance matches the Benchmark Descriptors for selected Contributing Factors
- Note challenges that were encountered and how they were handled

See the NSPS Handbook (starting on page 86) for more informa

Supervisory Assessment

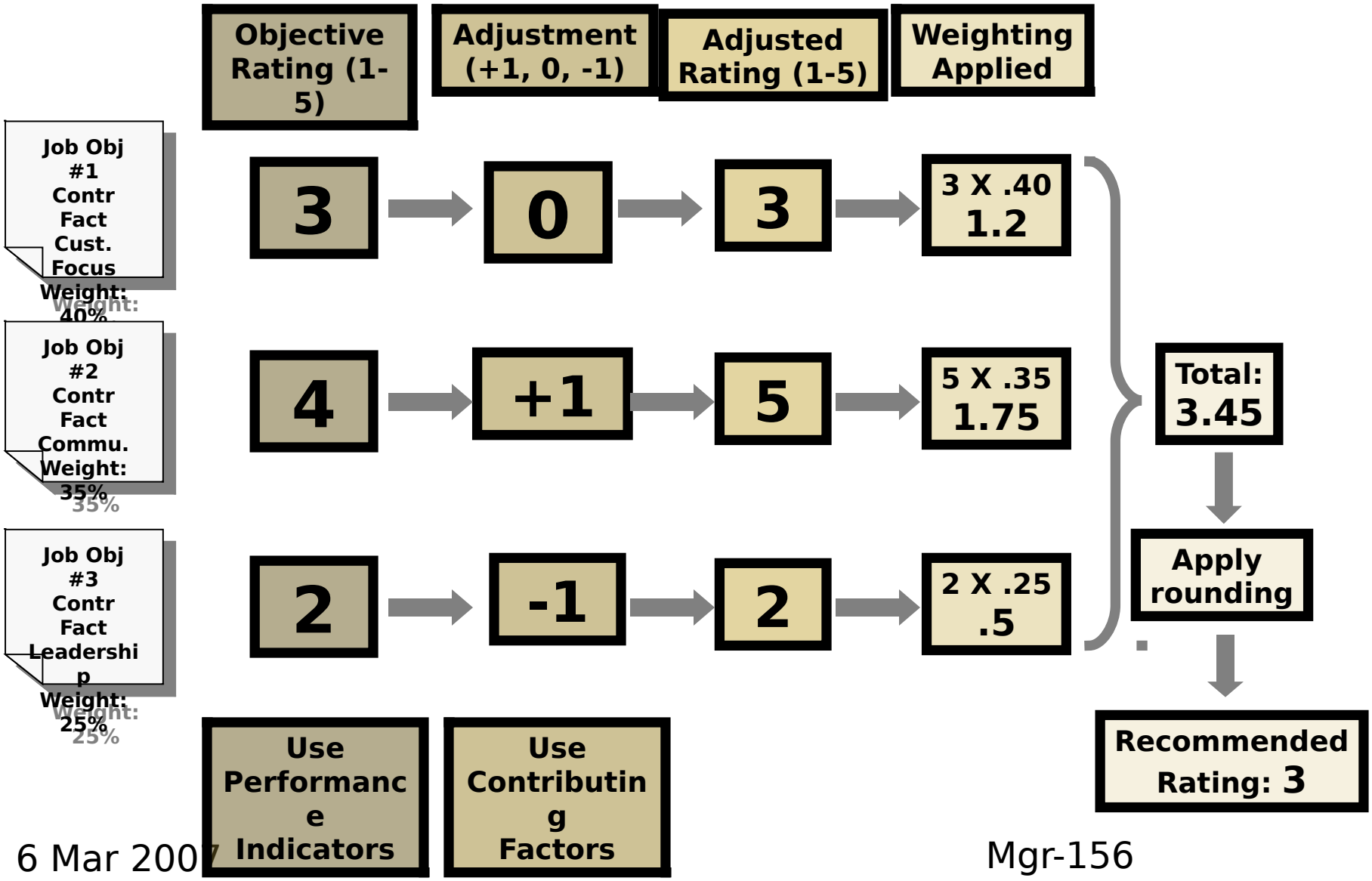
- The rating official prepares an assessment for each employee
  - Describes the employee's accomplishments and contributions to the organization relative to his or her performance expectations
  - Includes an assessment of job objectives and associated contributing factors
- Input for the supervisor assessment can come from:
  - The employee’s self-assessment
  - Closeout assessments from other supervisors
- Consider the employee-written accomplishments, but put them into perspective, considering the work of the entire organization, what the whole group did, who did what
  - Don’t copy and paste from the employee’s write-up
- Army values are listed on the performance appraisal form and rating officials need to document positive aspects of the employee’s support of these values

Rating Levels

Standard rating levels used in DoD

Rating Level	Level of Performance	Performance Description
Level 5	**Role Model**	Almost always meets the standards described by the Role Model benchmarks
Level 4	**Exceeds Expectations**	Almost always meets the standards described by the Valued Performance benchmarks and, typically, but less than almost always meets the standards described by the Role Model benchmarks
Level 3	**Valued Performance**	Almost always meets the standards described by the Valued Performance benchmarks
Level 2	**Fair**	Almost always meets the Valued Performance benchmarks, but only as a result of guidance and assistance considerably above that expected at the Valued Performance level
Level 1	**Unsuccessful**	Performs below Level 2, or fails a Standard Performance Factor in the performance of a single assignment where such failure has a significant negative impact on accomplishment of the mission or where a single failure to perform could result in death, injury, breach of security, or great monetary loss

The Rating Process



Rounding to Determining the Recommended Rating

- Weight the adjusted ratings and total them
- Round the result as shown below:

Average Rating Range	Rating of Record	Rating of Record Descriptor
4.51 to 5.00	5	Role Model
3.51 to 4.50	4	Exceeds Expectations
2.51 to 3.50	3	Valued Performer
2.00 to 2.50	2	Fair
1 on any objective	1	Unacceptable

- Result is the recommended rating

Rating Exercise

- This exercise is intended to give you experience in rating job objectives using the Performance Indicators and Contributing Factors
- In the classroom, you will be comparing the rating that you arrive at with the ratings of other class members
- Process:
  - Read the job objectives, employee self-assessment, and performance indicators (exercise booklet, page 18)
  - Evaluate the performance against the performance indicators for each objective and determine the objective rating
  - Evaluate the impact of the contributing factor(s) (handbook, page 106) and determine if any adjustment should be made
  - Share and compare your results with the people at your table and arrive at a consensus for what the recommended rating should be
  - Report your table's final decisions, along with any outlying observations

Refer to your exercise booklet, starting at page 17

Rewarding Employee Performance

Performance Rating	Employees are eligible to receive:
5	• Performance based pay • Rate range adjustments • Local market supplement increases
4	
3	
2	• Rate range adjustments • Local market supplement increases
1	• No increases

Share Ranges

- Shares in the pay pool are awarded as shown in the table:

Rating Level	Share Range
5	5 or 6
4	3 or 4
3	1 or 2
2	0
1	0

- Share ranges allow further distinction between levels of contribution
- The estimated value of a share reflects a percentage of salary (the actual share value will not be known until the Pay Pool Panel completes its work)

Performance Payout

- Performance payout may be paid as a:
  - Base salary increase
  - Bonus
  - Combination of the two
- Considerations in deciding the distribution:
  - Position in pay band
  - Motivational effect
  - Salary and work in comparison with colleagues
  - Competitive market comparisons

Pay Pool Basics

- What is a pay pool?
  1. A group of employees who share in the distribution of a common pay-for-performance fund
  2. The actual pool of money that funds performance payouts
- How are membership and boundaries of a pay pool determined?
  - By organizational structure
  - By similar lines of occupations or jobs
  - By geographical location
  - By organizational mission
  - Other considerations: pay bands, career groups, etc.
  - Army guidance: size should range from 35 to 300
- Pay pools will be structured differently in different organizations

Pay Pools: Army Guidance

- Pay pool structures may be redefined each cycle
- All pay pool officials/raters will be management officials
- Sub-pay pools may be considered when size exceeds 150
- Separate pools may be created for supervisors

SC 1940.11

Pay Pools: Communicating with Employees

- Employees will be notified during the performance year about:
  - Roles and responsibilities of employees, raters, pay pool panel members, and pay pool managers
  - Pay pool composition
  - Pay pool panel membership
  - General pay pool policies and business rules
  - The factors that may be considered in making specific share assignments
- The supervisor will communicate to the employee before the effective date of the payout the:
  - Approved rating of record
  - Share assignment
  - Payout distribution

Rating and Pay Pool Hierarchy

- Supervisor recommends:
  - Performance rating
  - Number of shares
  - Distribution between salary increase and bonus
- Higher level reviewer:
  - Reviews supervisor's recommendations, changes as appropriate
- Pay Pool Panel:
  - Reconciles ratings, shares, and distribution within the pay pool; changes as appropriate
- Pay Pool Manager:
  - Makes final decisions on rating of record, number of shares, and distribution
- Supervisor conveys final rating, shares, and distribution to employees
  - After the pay pool manager is done

How do we ensure consistency and fairness?

Higher Level Reviewer

- The higher level reviewer function is retained under NSPS
  - Called “Senior Rater” in TAPES
  - Normally the immediate supervisor of the rating official
- Provides final approval of the Performance Plan
- Role during rating:
  - Reviews rating official recommendations and changes as appropriate (rating, shares, and distribution of payout)
  - Provides bullet comments on the employee’s potential to perform different and/or higher level work (documented in Part Q – the Component Use section – of the Performance Appraisal Form)

Reconciliation Exercise

- One of the primary functions of the pay pool panel is to “reconcile” ratings across the pool as a way to insure fairness and consistency
- This exercise is intended to give you experience as if you were part of a pay pool panel
- You will be comparing ratings of four employees with the same objectives but with different recommended ratings from different supervisors
- Process:
  - Read the job objectives (they are the same for each employee)
  - Read the employee self-assessments and supervisor assessments for each employee
  - Compare the different ratings using the Performance Indicators and Contributing Factors and determine if the recommended ratings are equitable; if not, make appropriate adjustments
  - Discuss at your table, and report your table’s final decisions, along with any additional outlying observations

Refer to your exercise booklet, starting at page 22

Pay Pool Funding Elements

Element 1: WGIs, QSIs, in-band promotions

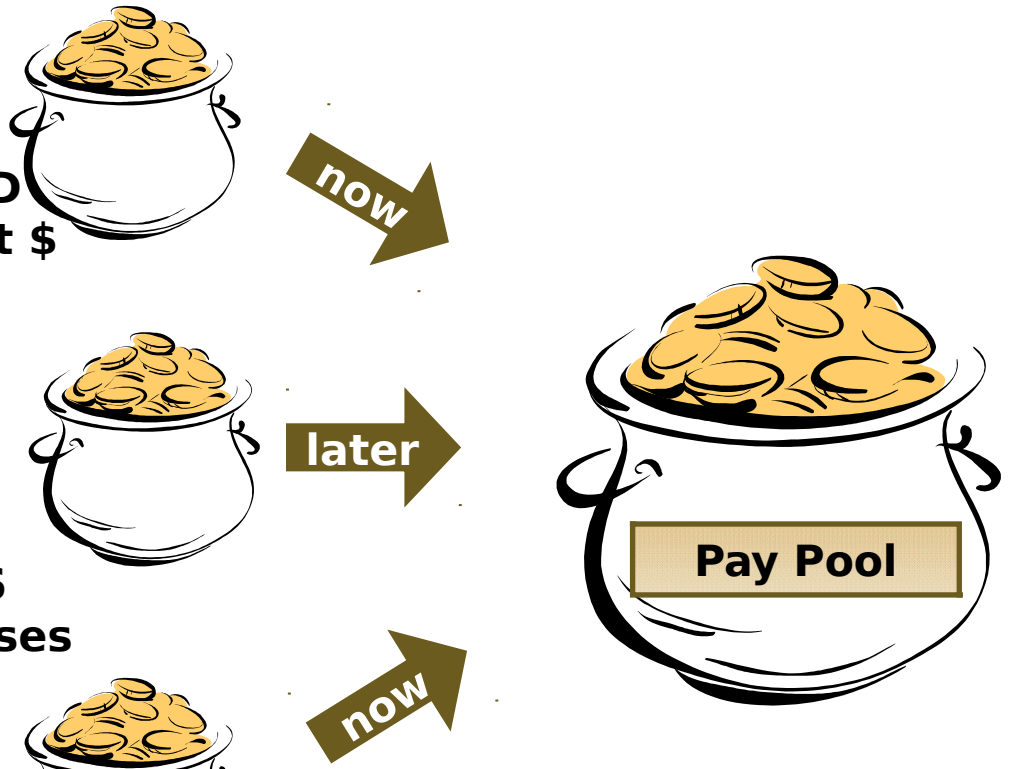
- Minimum floor set by DoD
- Less ACDP, Reassignment $
- For salary increases only

Element 2: Remainder of General Pay Increase

- Set by SecDef
- Less rate range adj, LMS
- Salary increases or bonuses

Element 3: Performance awards

- Budgeted by organization
- Less OAR, EPI, inc awds, reserve fund
- For bonuses only



Elements and the pay pool are expressed as percentages of base pay

Value of a Share

- The value of a share depends on:
  - The total amount of available pay pool funds
  - The total number of shares awarded to employees in that pay pool
  - The base salary of employees who have been awarded a payout
- The value of a share cannot be exactly determined until the pay pool panel process is complete
- The size of an employee's payout should reflect that employee's relative contribution to the organization in comparison to other employees in the organization

The more shares assigned within the pay pool, the less the value of each share

Calculating Performance Payouts

An employee's performance payout is calculated by multiplying the employee's base salary at the end of the appraisal period by the share value percentage, and then by the number of shares earned by the employee:

Employee Performance Payout =

Base Salary X Share Value per Share (%) X No. of Shares

The total performance payout is distributed between an increase in base salary or a bonus, or a combination of the two:

Employee Performance Payout =

Salary Increase + Bonus

No salary increase can cause an employee's base salary to exceed the maximum rate for the employee's pay band

- Any excess amount will be paid as a performance bonus
- For employees who receive retained rates above the applicable pay band maximum, the entire performance payout is in the form of a bonus

Pro-Rating of Payouts

- In Army, payouts will be pro-rated based on hours worked to reflect:
  - Leave Without Pay (LWOP)
  - Part time and intermittent employment
  - Entry into an NSPS position from a non-NSPS position

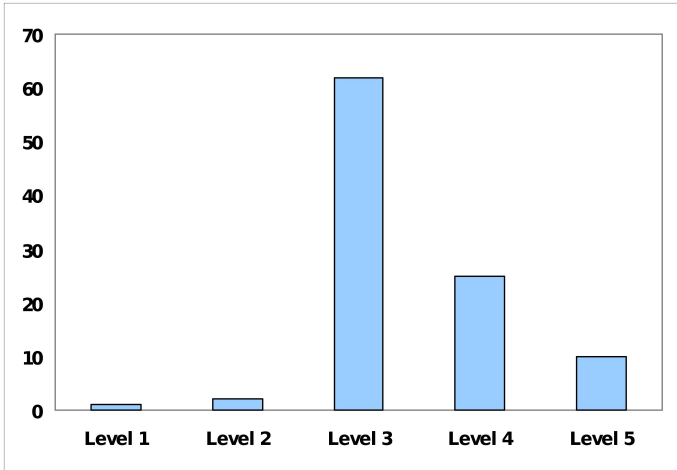
Hours Worked	Percent of Payout
1561-2087	100%
1041-1560	75%
521-1040	50%
0-520	25%

See the NSPS Handbook (page 99) for more information

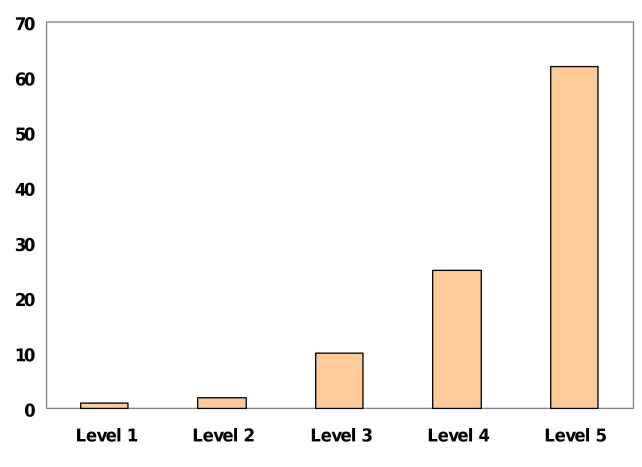
Rating Distribution Considerations

Modeling Examples

Distribution A



Distribution B



	Percent	Amount*	Percent	Amount*
Average payout	5.00%	$2,500	5.00%	$2,500
Maximum payout	16.85%	$8,426	6.77%	$3,386
Average payout for a level 3 rating	3.19%	$1,596	1.69%	$847
Average payout for a level 4 rating	7.40%	$3,702	3.93%	$1,964
Average payout for a level 5 rating	11.70%	$5,851	6.21%	$3,104

*** Amount based on base salary of $50,000**

Pay Pool Calculations

	A	B
1	Employees	Base Salary
2	Employee A	$39,584
3	Employee B	$42,356
4	Employee C	$22,453
5	Employee D	$73,851
6	Employee E	$62,453
7	Total	$240,697
8	Payout Factor	6.6%
9	Pay Pool Value Payout	$15,886.00
10	Total Salary Share Product	$916,707
11	Share Value/Share	0.01732942

C	D	E
Rating	Shares	Salary Share Product
5	6	$237,504
4	4	$169,424
5	5	$112,265
3	2	$147,702
4	4	$249,812
	21	$916,707

G	H	I	J
Base Salary	Shares	Share Value/Share	Empl Perf Payout
$39,584	6	0.017329422	$4,115.81
$42,356	4	0.017329422	$2,936.02
$22,453	5	0.017329422	$1,945.49
$73,851	2	0.017329422	$2,559.59
$62,453	4	0.017329422	$4,329.10
$240,697	21	0.017329422	$15,886.00

1. Total Base Salaries (7B)
2. Total Base Salaries X Payout Factor = Pay Pool Value (9B)
3. ∑ (Base Salary X Shares) = Salary Share Product (7E)
4. Pay Pool Value / Total Salary Share Product = Share Value per Share (11B)
5. Base Salary X Shares X Share Value/Share = Empl Perf Payout (7J)
   (this does not show how the payout is distributed – bonus vs. salary increase)

Annual Appraisal Conversation

Preparation

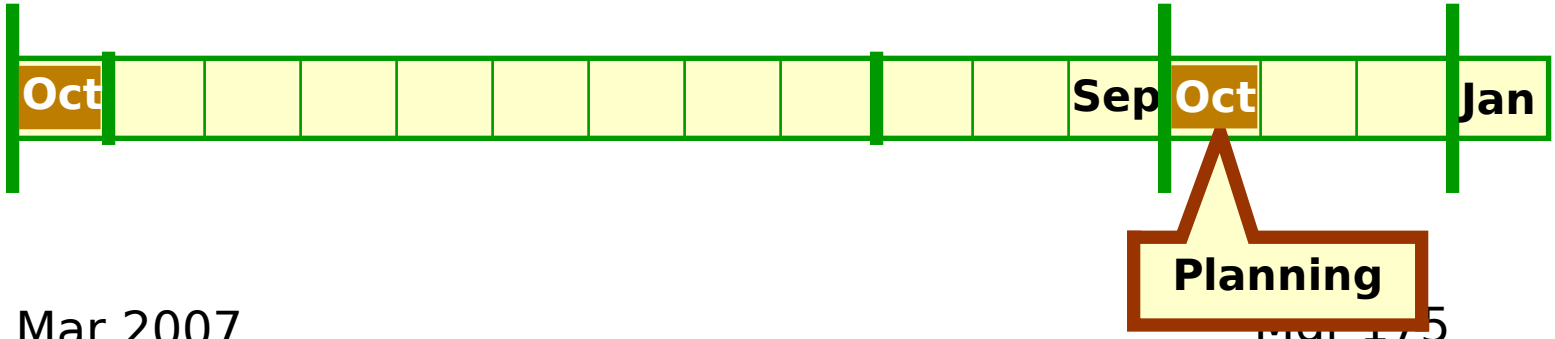
- Review comments from Pay Pool Panel (if any) and incorporate them into the final written appraisal
- Plan your feedback, particularly if the rating is below Valued Performance or otherwise not what the employee is expecting

Tips

- There should be no surprises; all concerned want the appraisal to be fair
- If the rating of record is below Valued Performance, it is important to discuss next steps immediately
- Do not criticize or blame the pay pool panel for lowering a rating

Starting Over: Setting and Communicating Performance Expectations for Next Cycle

- Purpose: Set up and communicate performance expectations and job objectives for the coming year
- Done in October when the performance cycle starts over
  - Note that the new cycle begins before the former cycle completes
- Coverage:
  - Discuss goals and expectations for the next period
  - Help your employee improve his or her performance
  - Summarize the discussion and sign documentation



Reconsiderations

Employees can challenge:

Their rating

Employees cannot challenge:

Performance payout

Number of shares

Value of shares

Distribution of payout